

RCO
ICT
58

f-2

Form 1040X

(Rev. December 2011)

Amended U.S. Individual Income Tax Return
► See separate instructions.

OMB No. 1545-0074

This return is for calendar year 2011 2010 2009 2008

Other year. Enter one: calendar year

or fiscal year (month and year ended):

Your first name and initial

JAMES D

Last name

PIERON, JR.

Your social security number

2111

If a joint return, spouse's first name and initial

Last name

Spouse's social security number

Home address (number and street). If you have a P.O. box, see instructions.

Apt. no.

Your phone number

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).

MT. PLEASANT**MI**

Foreign country name

Foreign province/country

Foreign postal code

Amended return filing status. You must check one box even if you are not changing your filing status.
Caution. You cannot change your filing status from joint to separate returns after the due date.

- Single Married filing jointly Married filing separately
- Qualifying widow(er) Head of household (if the qualifying person is a child but not your dependent, see instructions.)

Use Part III on the back to explain any changes

Income and Deductions

- 1 Adjusted gross income. If net operating loss (NOL) carryback is included, check here ►
- 2 Itemized deductions or standard deduction
- 3 Subtract line 2 from line 1
- 4 Exemptions. If changing, complete Part I on the back and enter the amount from line 30
- 5 Taxable income. Subtract line 4 from line 3

Tax Liability

- 6 Tax. Enter method used to figure tax:

TCW

- 7 Credits. If general business credit carryback is included, check here ►
- 8 Subtract line 7 from line 6. If the result is zero or less, enter -0-
- 9 Other taxes
- 10 Total tax. Add lines 8 and 9

Payments

- 11 Federal income tax withheld and excess social security and tier 1 RRTA tax withheld (if changing, see instructions)
- 12 Estimated tax payments, including amount applied from prior years return
- 13 Earned income credit (EIC)
- 14 Refundable credits from Schedule M or Form(s) 2439 4136

5405 6801 6812 8839 8863 8885 cr

other (specify): **IRC SEC 1341**

- 15 Total amount paid with request for extension of time to file, tax paid with original return, and additional tax paid after return was filed

- 16 Total payments. Add lines 11 through 15

Refund or Amount You Owe (Note. Allow 8-12 weeks to process Form 1040X.)

- 17 Overpayment, if any, as shown on original return or as previously adjusted by the IRS
- 18 Subtract line 17 from line 16 (if less than zero, see instructions)
- 19 Amount you owe. If line 10, column C, is more than line 18, enter the difference
- 20 If line 10, column C, is less than line 18, enter the difference. This is the amount overpaid or refund due
- 21 Amount of line 20 you want refunded to you
- 22 Amount of line 20 you want applied to your (enter year):

estimated tax **22**

Complete and sign this form on Page 2.

Form 1040X (Rev. 12-2011)

For Paperwork Reduction Act Notice, see Instructions.

RECEIVED

04 08 2014

IR

APR 16 2014

FRESNO, CA

1023779983

108

DEFENDANT'S
EXHIBIT
1034
US v. PIERON

JAMES D PIERON, JR.

-2111

Page 2

Part I Exemptions

Complete this part only if you are:

- Increasing or decreasing the number of exemptions (personal and dependents) claimed on line 6d of the return you are amending, or
- Increasing or decreasing the exemption amount for housing individuals displaced by a Midwestern disaster in 2008 or 2009.

See Form 1040 or Form 1040A Instructions and Form 1040X Instructions.

- 23 Yourself and spouse. Caution. If someone can claim you as a dependent, you cannot claim an exemption for yourself
- 24 Your dependent children who lived with you
- 25 Your dependent children who did not live with you due to divorce or separation
- 26 Other dependents
- 27 Total number of exemptions. Add lines 23 through 26
- 28 Multiply the number of exemptions claimed on line 27 by the exemption amount shown in the instructions for line 28 for the year you are amending
- 29 If you are claiming an exemption amount for housing individuals displaced by a Midwestern disaster, enter the amount from Form 8914, line 2 for 2008, or line 6 for 2009
- 30 Add lines 28 and 29. Enter the result here and on line 4 on page 1 of this form
- 31 List ALL dependents (children and others) claimed on this amended return. If more than 4 dependents, see instructions.

A. Original number of exemptions or amount reported or as previously adjusted	B. Net change	C. Correct number or amount
23		
24		
25		
26		
27		
28		
29		
30		

(a) First name	Last name	(b) Dependent's social security number	(c) Dependent's relationship to you	(d) Check box if qualifying child for child tax credit (see instructions)
				<input type="checkbox"/>

Part II Presidential Election Campaign Fund

Checking below will not increase your tax or reduce your refund.

- Check here if you did not previously want \$3 to go to the fund, but now do.
- Check here if this is a joint return and your spouse did not previously want \$3 to go to the fund, but now does.

Part III Explanation of changes. In the space provided below, tell us why you are filing Form 1040X.

► Attach any supporting documents and new or changed forms and schedules.

SEE ATTACHED STATEMENT**Sign Here**

Remember to keep a copy of this form for your records.

Under penalties of perjury, I declare that I have filed an original return and that I have examined this amended return, including accompanying schedules and statements, and to the best of my knowledge and belief, this amended return is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information about which the preparer has any knowledge.



27-MAR-14

Your signature
Paid Preparer Use Only

Date

Spouse's signature. If a joint return, both must sign.

Date



Date

Preparer's signature

KIM D. PAVLIK

Print/type preparer's name
P00044903

PTIN

For forms and publications, visit IRS.gov.

3/21/14

ANDREWS HOOVER PAVLIK PLC

Firm's name (or yours if self-employed)
5300 GRATIOT RD
SAGINAW

MI 48638-6035

Firm's address and ZIP code

 Check if self-employed

989-497-5300

Phone number

3790

EIN

Form 1040X (Rev. 12-2011)

DAA

10 B. 001

027209

Form 8275(Rev. August 2013)
Department of the Treasury
Internal Revenue Service
Name(s) shown on return**Disclosure Statement**

Do not use this form to disclose items or positions that are contrary to Treasury regulations. Instead, use Form 8275-R, Regulation Disclosure Statement.

► Information about Form 8275 and its separate instructions is at www.irs.gov/form8275.
► Attach to your tax return.

OMB No. 1545-0889

Attachment
Sequence No. 92

James D. Pieron Jr.

Identifying number shown on return

If Form 8275 relates to an information return for a foreign entity (for example, Form 5471), enter:
Name of foreign entity ►

Employer identification number, if any ►

Reference ID number (see instructions) ►

Part I General Information (see instructions)

(a) Rev. Rul., Rev. Proc., etc.	(b) Item or Group of Items	(c) Detailed Description of Items	(d) Form or Schedule	(e) Line No.	(f) Amount
1 IRC Sec 108		Discharged indebtedness excluded from gross income			
2 IRC Sec 108		Discharged indebtedness excluded from gross income	982	2	13,370,885
3 IRC Sec 1341		IRC 1341 "Claim of Right" tax adjustment taken as additional federal tax paid on 1040 line 71	1040	21	13,370,885
4			1040	71	436,446
5					
6					

Part II Detailed Explanation (see instructions)

- 1 See attached statement describing tax reporting event, position on IRC Sec 108, reporting discharge of indebtedness excluded from gross income, and taking IRC 1341 "Claim of Right" tax adjustment as additional federal tax paid on 1040 line 71.

2

3

4

5

6

Part III Information About Pass-Through Entity. To be completed by partners, shareholders, beneficiaries, or residual interest holders.

Complete this part only if you are making adequate disclosure for a pass-through item.

Note: A pass-through entity is a partnership, S corporation, estate, trust, regulated investment company (RIC), real estate investment trust (REIT), or real estate mortgage investment conduit (REMIC).

1 Name, address, and ZIP code of pass-through entity	2 Identifying number of pass-through entity
	3 Tax year of pass-through entity / / to / /
	4 Internal Revenue Service Center where the pass-through entity filed its return [REDACTED]

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 61035M

Form 8275 (Rev. 8-2013)

10 B . 001

027210

Form 8275 (Rev. 8-2013)

Part IV Explanations (continued from Parts I and/or II)

Page 2

Form 8275 (Rev. 8-2013)

10B.001
027211

Tax overpayment/underpayment summary

James D. Pieron Jr.

██████████ 111

12/31/2011

	<u>Returns as Last Filed</u>	<u>Returns as Recalculated under Section 1341</u>	<u>Section 1341 Tax liability</u>	<u>Section 1341 Adjustment</u>	<u>Net Tax Due</u>
2008	\$ 365,082		\$ 8,690	\$ 356,392	
2009	74,272		-	74,272	
2010	5,782		-	5,782	
	<u>445,136</u>		<u>8,690</u>	<u>436,446</u>	

2011 Tax Liability as Last filed	\$ -
2011 Tax Liability per this Amended Return	<u>29,911</u>
2011 TAX LIABILITY AS ADJUSTED	<u>29,911</u>
2011 Tax Payments	<u>17,196</u>
Balance Due	<u>12,715</u>

	<u>Returns as Recalculated under Section 1341</u>	<u>Taxes Paid</u>	<u>Credit under Section 1341</u>			
	<u>Per Above</u>		<u>Net of Amounts Not Paid</u>			
		<u>Tax</u>	<u>Withholding</u>	<u>Installment Agreement</u>	<u>Total</u>	<u>Net Credit</u>
2008	\$ 8,690		\$ 9,000	\$ 9,000	\$ (310)	
2009	-	\$ -	-	-		
2010	-	10,087	-	10,087	(10,087)	
					<u>10,397</u>	<u>(10,397)</u>
					<u>NET DUE for 2008-2011</u>	<u>\$ 2,318</u>

10 B. 001

027212

2011 1040x amended return detail
 James D. Pilon Jr.
 2111
 12/31/2011

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2009-</u> <u>2010</u>	<u>2011</u>	<u>TOTAL</u>
AS AMENDED						
WAGES						
Exclusion	90,995	54,002	52,500			
Net Wages	(87,600)	(54,002)			90,000	
Interest	3,395	0	52,500			
CG/CL			644		90,000	
JP Morgan - Sec 1256	1,046,617					
Saxobank - Sec 1256	{600,141}	(33,919)	249,330			
JDFX	9,289,871	5,250,000			(3,000)	
IB Technologies 1244 Loss						
Limited - C/O					(50,000)	
Total Sch D	(295,024)					
ILO - Sch E	9,441,323	5,216,081	249,330			
Theft Loss			(183,977)		(53,000)	
AGI - As adjusted	(7,008,651)	(4,712,804)			(183,705)	
Tax based on 1st amended return	2,436,067	503,277	118,497	3,057,841	(146,705)	2,911,136
	<u>365,082</u>	<u>74,272</u>	<u>5,782</u>	<u>445,136</u>	<u>0</u>	<u>445,136</u>

AMENDED RETURNS, ADJUSTED AS FOLLOWS:

*NO THEFT LOSS, JDFX GAIN EXCLUDED FOR THE PURPOSES OF SECTION 1341 CALCULATION

WAGES						
Exclusion	90,995	54,002	52,500			
Net Wages	(87,600)	(54,002)			90,000	
Interest	3,395	0	52,500			
CG/CL			644		90,000	
JP Morgan - Sec 1256	1,046,617					
Saxobank - Sec 1256	{600,141}	(33,919)	249,330			
JDFX - Gain	9,289,871	5,250,000			(3,000)	
JDFX - Gain Disregarded - IRC 1341 claim of right	(9,289,871)	(5,250,000)				
Komplique Capital Loss (n/a)						
IB Technologies 1244 Loss						
Limited - C/O					(50,000)	
Total Sch D	(295,024)	30,919	(249,330)		0	
ILO - Sch E	151,452	(3,000)	0		(53,000)	
Theft Loss			(183,977)		(183,705)	
AGI as adjusted	154,847	(3,000)	(130,833)		(146,705)	(125,691)
Debt Forgiveness Income added to tax year 2011						
AGI after Debt Forgiveness Income	154,847	0	(130,833)		300,000	
Total Tax after credits	8,690	0	0	8,690	29,911	38,601

Total Tax liability 2008-2010 No JDFX gain	8,690	29,911	38,601
Total Tax liability 2008-2010 w/ th JDFX gain	445,136	-	445,136
Difference reported as IRC 1341 payments (1)	(1)	436,446	406,535
2008 federal withheld			
2009 federal withheld			
2010 federal withheld	10,087	-	10,087
2011 federal withheld (2)	n/a	(2)	17,196
	10,087	17,196	27,283
Installment agreement payments			
S/2012-10/2012 {1,500 for 6 months)	9,000	-	9,000
Total W/H and installment payments	19,087	17,196	36,283
IRC 1341 claim of right payments	436,446	-	436,446
Total payments incl. IRC 1341, WH and installments	455,533	17,196	472,729
Balance due (overpaid) after payments			
based on actual tax liability	(446,843)	12,715	(434,128)
Total Tax liability difference 2008-2010 with JDFX gain	436,446	-	436,446
Due/(over paid)	(10,397)	12,715	2,318

10 B . 001

027213

James D. Pieron Jr.
██████████
-2111

Statement regarding amended return (2011-1040x) and disclosure statement (form 8275)

Taxpayer James Pieron Jr. ("Pieron") was a resident in Switzerland from approximately 1998 to 2010. During that time, he founded a company called JDFX Holding AG ("JDFX") that specialized in trading technologies. In 2007 he sold a 20% stake in JDFX for \$10 million with an effective date of January 1, 2008. In a separate transaction, he sold an additional 15% stake for \$5.25 million with an effective date of January 1, 2009.

During the period of 2007 through 2009, Pieron loaned a substantial portion of sale proceeds to JDFX as working capital. In Switzerland, there is no capital gain tax for Swiss nationals. For that reason, the sale and loan vehicles were properly structured. However, because Pieron was a US citizen first and Swiss resident second, the selling of corporate shares should have been made by the corporation, requiring no loans from Pieron. Because Pieron received no tax advice regarding the US impact, he sold his shares individually and then loaned a substantial portion of the proceeds back to JDFX.

In late 2009, the owner of Market Shot, namely Trevor Cook ("Cook"), was implicated in a Ponzi scheme. Cook was later indicted and convicted related to the Ponzi scheme. Because Cook owned 35% of JDFX, when the Ponzi scheme became public knowledge, banks and liquidity providers began terminating their relationships with JDFX. Shortly thereafter, JDFX was liquidated and Pieron's loans and reinvested capital were lost. Pieron was not accused, indicted, or prosecuted for any wrong doing.

Original returns were filed showing gains on JDFX stock in 2008 and in 2009. Subsequently, amended returns were filed in 2012 adjusting the JDFX gains and recording a theft loss that was an indirect result of the Ponzi scheme.

The income was reported under the claim of right doctrine.

Under the claim of right doctrine a taxpayer who receives any income under a claim of right that is free of restrictions must include that income in gross income for the year of receipt.¹ It does not matter that the taxpayer is not entitled to retain the income and might be obligated to return it.²

The Supreme Court has stated that if a taxpayer who included a receipt in gross income under the claim of right doctrine is required to repay it in a subsequent taxable year, the taxpayer is entitled to a deduction in the year of repayment.³

Because the deduction in the year of repayment of an item previously included in gross income under the claim of right doctrine might not provide as much a reduction in tax liability as the tax generated by the previous income inclusion, Congress enacted §1341 in order to mitigate that effect.⁴ Under §1341, taxpayers are permitted to forgo the deduction in the year of repayment so that they can reduce tax liability for that year by the amount of tax liability generated by the previous inclusion.⁵

In order to obtain the benefits of §1341, the following five requirements must be satisfied;

- the item was included in gross income in a previous taxable year;⁶
- the inclusion occurred because the taxpayer appeared to have an unrestricted right to the item;⁷
- in a later year, the taxpayer is entitled to a deduction;⁸

- the deduction is allowed because it was established after the close of the year of inclusion that the taxpayer did not have an unrestricted right to the item;⁹ and
- the amount of the deduction exceeds \$3,000.¹⁰

Pieron met all of these requirements.

If the requirements of §1341 are met, the taxpayer must use one of the two alternative tax computation methods.¹¹ The application of §1341 is mandatory if its requirements are met.¹² The taxpayer's tax liability for the year of repayment is the lesser of the tax liabilities computed under §1341(a)(4) or (5).¹³

- Under §1341(a)(4), the taxpayer computes tax liability by applying the applicable tax rates to taxable income computed with the deduction for repayment taken into account.¹⁴
- Under §1341(a)(5), the taxpayer computes tax liability through a three-step process. First, tax liability for the year of repayment is computed without taking into account the deduction for repayment.¹⁵ Second, the taxpayer computes the decrease in tax liability for the year of inclusion that would result solely from excluding from gross income for that year an amount of income equal to the repayment subject to limitation described in III, C, 2, d, (3), (b) through (e).¹⁶ Third, the taxpayer computes tax liability for the year of repayment by subtracting the result computed in the second step from the result computed in the first step.¹⁷

The applicability of these rules to losses as a result of a Ponzi scheme were discussed in an article by Agatha Jeffers, Ph.D., CPA, and Leonard J. Lauricella, L.L.M., CPA in the May 2009 issue of Practical Tax Strategies. Below are some excerpts from that article emphasis added:

In an effort to ease the burden on investors, some of whom have lost their life savings, and to facilitate the administration of the claim for refunds of taxes, in mid-March the IRS issued Rev. Rul. 2009-9¹⁸ and elective Rev. Proc. 2009-20.¹⁹ The Ruling provides guidance on many of the contentious tax issues, and the Procedure contains a safe harbor for qualified investors as to the timing, character, and deduction amount, provided the taxpayer complies with the requirements.

Qualified investors are taxpayers:

- Who otherwise are able to deduct theft losses under Section 165.
- Who had no prior actual knowledge of the fraudulent nature of the Madoff scheme.
- With respect to whom the scheme is not a tax shelter.
- Who transferred cash or property directly to Madoff rather than through a fund or other entity.

The first question typically addressed was whether the loss from the Madoff Ponzi scheme could be treated as a theft loss. Section 165(a) provides that a deduction is allowed for any loss that is not covered by insurance. Theft losses include- but are not necessarily limited to-larceny, embezzlement, and robbery.

Whether a theft has occurred is determined under state law.

The Procedure goes on to describe cases where theft characterization would not be challenged. This includes, for example, the situation of a lead figure being charged under state or federal law with fraud, embezzlement, or similar crimes that, if proven, would meet the definition of theft.

Timing of the deduction. The next question to be addressed was the timing of the deduction.

Given the complicated nature of the Ponzi scheme; the significant possibility that claims for recovery would be made from the government; and that lawsuits would be filed against the Madoff organization, the auditors, and other investment advisors who may have channeled investors' money into the Madoff organization, the IRS could have reasonably asserted that investors (on whom the burden falls) could not prove with reasonable certainty what amount they would definitely not recover.

Initially there was some thought that the IRS might argue strenuously that the Madoff scheme did not involve a theft loss, and that the victims had a worthless security deduction under Section 165(g). This unfavorable result would have the losses treated as capital losses. Individuals can deduct capital losses,²⁰ but only against capital gains and up to \$3,000 (\$1,500 for married filing separately) of excess capital losses against ordinary income annually.²¹

Once again the Ruling resolves this in a taxpayer-friendly manner as an ordinary loss.

The most likely choices for a taxpayer to recoup the tax paid on the phantom income were thought to involve filing an amended return to remove the income and request a tax refund, or attempting to get relief under the claim of right doctrine. Implications of these two alternatives are discussed below, but the Ruling and the Procedure made the limitations period expiration date less important.

The Ruling and the Procedure provide for straightforward relief by allowing a phantom income reported to investors in 2008 to be excluded from the 2008 return and for phantom income for all prior years (even closed years) to be added to the taxpayer's adjusted basis and used in determining the theft loss. The Procedure requires the taxpayer to agree not to amend prior returns to claim a refund on the phantom income.

Claim of right doctrine. Another possible course of action, which did not have a 4/15/09 deadline, was to attempt to use the claim of right doctrine.²² This doctrine is normally employed when a taxpayer receives income and pays tax on it, but in a later year the taxpayer is required to pay the money back because it is determined that he or she was not entitled to it in the first place.

How would this be applied to the Madoff investors? The argument was that the taxpayers included the phantom income in the earlier years and paid tax on it. Now because of the theft, they have in effect paid the money back. There are a couple benefits to this argument.

Practitioners who thought that the IRS would contest this extension of the claim of right doctrine to the Madoff facts were correct. The Ruling sets forth the IRS's argument about why the claim of right doctrine does not apply in this case. Section 1341(a)(2) requires that the deduction must arise because the taxpayer was under an obligation to restore the income. The Ruling concludes that when an investor incurs a loss from criminal fraud or embezzlement in a transaction entered into for profit, the investor's theft loss deduction does not arise from an obligation on the investor to restore the income.

Taxpayers electing under the Procedure must agree not to pursue a refund based on a claim of right. All other taxpayers can anticipate the IRS will contest any refund based on the doctrine, except possibly amounts repaid under the fraudulent conveyance statute as discussed below.

If investors are required to return any funds received, a good argument can be made for applying the above-discussed claim of right doctrine in the year of repayment. Clearly the taxpayer will make the payment only if obligated to do so. Thus, the IRS argument stated above in the phantom income situation would not seem to be applicable. If the taxpayer chooses to deduct the repayments in the year made, there is an issue as to the character of the deduction.

Under the Arrowsmith doctrine,²³ the character of the repayments will track the character of the income reported in the earlier years. Thus if the income in the earlier years was, for example, short-term capital gains, the deduction will be short-term capital losses.

No capital loss carryback is available, however, for individuals. In this case, the claim of right credit in the year of repayment might reduce the adverse impact of the repayments being characterized as capital losses. As indicated above, election under the Procedure requires taxpayers to agree that they will not apply the alternative computation in Section 1341 with respect to the theft deduction. However, this presumably should not apply to payments that the taxpayer is required to make under the fraudulent conveyance or similar rules.

Income Tax-Ponzi Scheme Clawback Repayments: The IRS issued FAQs regarding the tax treatment of clawback repayments for amounts previously reported as income from a Ponzi scheme. The term *clawback* describes the power of a trustee to recoup profits earned by an innocent investor in a Ponzi scheme that should have been available as part of a bankruptcy estate. The FAQs indicate that the repayments are not additional theft loss deductions, but are repayments of claim of right income that result in either a nontheft investment loss deduction or a credit calculated under IRC Sec. 1341, whichever results in lower tax.

The trustee in the Cook Ponzi scheme has continued to attempt to recover monies from various parties. If Pieron still had any liquid assets in 2011, the trustee would have tried to claw those funds back. Because Pieron had virtually no liquid assets, the debt was forgiven, we have recalculated Pieron's adjusted tax for the years 2008-2011, including the forgiveness of debt income, and excluding the JDFX gains under the claim of right rules.

Based on the claim of rights calculations, Pieron's tax obligations for 2008 through 2011 total \$38,601. His withholding and other tax payments related to those years totaled \$36,283.

Based on the above, there is substantial doubt as to Pieron's tax liability for the years 2008 through 2011. This is summarized below. A more complete analysis is attached.

	<u>Tax Liability As Last Amended</u>	<u>Tax Liability As Adjusted Under Section 1341</u>
2008	\$ 365,082	\$ 8,690
2009	74,272	-
2010	5,782	-
2011	-	29,911
TOTAL	\$445,136	38,601
TOTAL WITHHOLDINGS AND PAYMENTS		36,283
NET TOTAL TAX DUE		\$2,318

1. North American Oil Consol. Co. v. Burnet, 286 U.S. 417 (1932).
2. Id.
3. North American Oil Consol. Co. v. Burnet, 286 U.S. 417 (1932) (dictum).
4. See H.R. Rep. No. 1337, 83d Cong., 2d Sess., A294.
5. Id.
6. §1341 (a)(1).
7. Id.
8. §1341(a)(2).
9. Id.
10. §1341(a)(3).
11. §1341(a)(4), (5).
12. §1341(a).
13. Id.
14. §1341(a)(4).
15. §1341(a)(5)(A).
16. Tax liability for purpose of §1341(a)(5)(B) includes alternative minimum tax as well as regular tax. FSA 200129001; CCA 200808019.
17. §1341(a)(5).

Reference related to Practical Tax Strategies article

18. 2009-14 IRB 735.
19. 2009-14 IRB 749.
20. Reg. 1.165-8(d).

Form 1040 U.S. Individual Income Tax Return (98)		OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.
For the year Jan. 1-Dec. 31, 2011, or other tax year beginning		, 2011, ending , 20
Your first name and initial JAMES D		See separate instructions. Last name PIERON, JR.
If a joint return, spouse's first name and initial		Your social security number ██ -2111 Spouse's social security number
Home address (number and street). If you have a P.O. box, see instructions ██		Apt. no Make sure the SSN(s) above and on line 6c are correct.
City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions) MT. PLEASANT MI		Presidential Election Campaign Check here if you or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.
Foreign country name		Foreign province/county
Foreign postal code		You Spouse
Filing Status 1 <input checked="" type="checkbox"/> Single 2 <input type="checkbox"/> Married filing jointly (even if only one had income) 3 <input type="checkbox"/> Married filing separately. Enter spouse's SSN above and full name here ►		4 <input type="checkbox"/> Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here ► 5 <input type="checkbox"/> Qualifying widow(er) with dependent child
Check only one box.		6 <input type="checkbox"/> You 7 <input type="checkbox"/> Spouse
Exemptions 6a <input checked="" type="checkbox"/> Yourself. If someone can claim you as a dependent, do not check box 6a b <input type="checkbox"/> Spouse c Dependents:		Boxes checked on 6a and 6b 1 No. of children on 6c who: • lived with you for child tax credit (see instr.) • did not live with you due to divorce or separation (see instructions) Dependents on 6c not entered above
If more than four dependents, see instructions and check here ►		Add numbers on lines above ► 1
d Total number of exemptions claimed		90,000
Income 7 Wages, salaries, tips, etc. Attach Form(s) W-2 8a Taxable interest. Attach Schedule B if required 8b 9a Tax-exempt interest. Do not include on line 8a 9b Ordinary dividends. Attach Schedule B if required 9b 10 Taxable refunds, credits, or offsets of state and local income taxes 11 Alimony received 12 Business income or (loss). Attach Schedule C or C-EZ 13 Capital gain or (loss). Attach Schedule D if required. If not required, check here ► 14 Other gains or (losses). Attach Form 4797 15a IRA distributions 15a 15a b Taxable amount 16a Pensions and annuities 16a 16a b Taxable amount 17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E 18 Farm income or (loss). Attach Schedule F 19 Unemployment compensation 20a Social security benefits 20a 20a b Taxable amount 21 Other income. List type and amount SEE STATEMENT 1 22 Combine the amounts in the far right column for lines 7 through 21. This is your total income ►		7 8a 9a 10 11 12 13 -3,000 14 -50,000 15b 16b 17 -183,705 18 19 20b 21 300,000 22 153,295
Adjusted Gross Income 23 Educator expenses 24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ 24 25 Health savings account deduction. Attach Form 8889 25 26 Moving expenses. Attach Form 3903 26 27 Deductible part of self-employment tax. Attach Schedule SE 27 28 Self-employed SEP, SIMPLE, and qualified plans 28 29 Self-employed health insurance deduction 29 30 Penalty on early withdrawal of savings 30 31a Alimony paid b Recipient's SSN ► 31a 32 IRA deduction 32 33 Student loan interest deduction 33 RECEIVED 0408012 D dition and fees. Attach Form 8917 35 Domestic production activities deduction. Attach Form 8903 35 36 Add lines 23 through 35 37 Subtract line 36 from line 22. This is your adjusted gross income ►		23 24 25 26 27 28 29 30 31a 32 33 34 35 36 37 153,295

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.
DAA

Form 1040 (2011)

FRESNO, CA

AS AMENDED

10 B. 001

027223

Form 1040 (2011) JAMES D PIERON, JR.

2111 Page 2
153,295**Tax and Credits****Standard Deduction for—**

• People who check any box on line 38a or 39b or who can be claimed as a dependent, see instructions.

• All others: Single or Married filing separately, \$5,800

Married filing jointly or Qualifying widow(er), \$11,600
Head of household, \$8,500

38	Amount from line 37 (adjusted gross income)	38	2111
39a	Check <input type="checkbox"/> You were born before January 2, 1947, <input type="checkbox"/> Blind. If: <input type="checkbox"/> Spouse was born before January 2, 1947, <input type="checkbox"/> Blind. } Total boxes checked ► 39a	38	153,295
b	If your spouse itemizes on a separate return or you were a dual-status alien, check here <input type="checkbox"/>	40	5,800
40	Itemized deductions (from Schedule A) or your standard deduction (see left margin)	41	147,495
41	Subtract line 40 from line 38	42	3,700
42	Exemptions. Multiply \$3,700 by the number on line 6d	43	143,795
43	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	44	33,880
44	Tax (see instr.). Check if any from: a <input type="checkbox"/> Form(s) b <input type="checkbox"/> Form c <input type="checkbox"/> Form 562	45	
45	Alternative minimum tax (see instructions). Attach Form 6251	46	33,880
46	Add lines 44 and 45	47	
47	Foreign tax credit. Attach Form 1116 if required	48	
48	Credit for child and dependent care expenses. Attach Form 2441	49	
49	Education credits from Form 8863, line 23	50	
50	Retirement savings contributions credit. Attach Form 8880	51	
51	Child tax credit (see instructions)	52	
52	Residential energy credits. Attach Form 5695	53	
53	Other credits from Form 8800 a <input checked="" type="checkbox"/> b <input type="checkbox"/> 8801 c <input type="checkbox"/> 8802	54	3,969
54	Add lines 47 through 53. These are your total credits	55	3,969
55	Subtract line 54 from line 46. If line 54 is more than line 46, enter -0-	56	29,911

Other Taxes

56	Self-employment tax. Attach Schedule SE	57	
57	Unreported social security and Medicare tax from Form 4137 b <input type="checkbox"/> 8919	58	
58	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	59a	
59a	Household employment taxes from Schedule H	59b	
b	First-time homebuyer credit repayment. Attach Form 5405 if required	60	
60	Other taxes. Enter code(s) from Instructions	61	29,911
61	Add lines 55 through 60. This is your total tax		

Payments

If you have a qualifying child, attach Schedule EIC.

62	Federal income tax withheld from Forms W-2 and 1099	62	17,196
63	2011 estimated tax payments and amount applied from 2010 return	63	
64a	Earned Income credit (EIC)	64a	
b	Nontaxable combat pay election <input type="checkbox"/> 64b	65	
65	Additional child tax credit. Attach Form 8812	66	
66	American opportunity credit from Form 8863, line 14	67	
67	First-time homebuyer credit from Form 5405, line 10	68	
68	Amount paid with request for extension to file	69	
69	Excess social security and tier 1 RRTA tax withheld	70	
70	Credit for federal tax on fuels. Attach Form 4136	71	436,446
71	Credits from Form: a <input type="checkbox"/> 2439 b <input type="checkbox"/> 8839 c <input type="checkbox"/> 8801 d <input type="checkbox"/> 8885		
72	Add lines 62, 63, 64a, and 65 through 71. These are your total payments	72	453,642

IRC 1341

Refund

73	If line 72 is more than line 61, subtract line 61 from line 72. This is the amount you overpaid	73	423,731
74a	Amount of line 73 you want refunded to you. If Form 8888 is attached, check here ► <input type="checkbox"/>	74a	423,731

Direct deposit? See instructions.

b	Routing number <input type="checkbox"/> XXXXXXXXX ► c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings
d	Account number <input type="checkbox"/> XXXXXXXXXXXXXXXXXXXX

75	Amount of line 73 you want applied to your 2012 estimated tax ► 75
----	--

Amount You Owe

76	Amount you owe. Subtract line 72 from line 61. For details on how to pay, see instructions ► 76
----	---

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see instructions)? Yes. Complete below. No

Personal identification number (PIN) ► 11111

Phone no. ► 989-497-5300

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature

Date Your occupation

SALES MANAGER

Daytime phone number

If the IRS sent you an Identity Protection PIN, enter it here (see instr.)

Spouse's signature. If a joint return, both must sign.

Date Spouse's occupation

Paid

Print/Type preparer's name

Preparer's signature

Date

Check self-employed

PTIN

P00044903

Preparer

Firm's name ► ANDREWS HOOPER PAVLIK PLC

Firm's EIN

3790

Use Only

Firm's address ► 5300 GRATIOT RD

Phone no.

SAGINAW

MI 48638-6035

989-497-5300

Form 1040 (2011)

DAA

AS AMENDED

10 B. 001

027224

SCHEDULE D
(Form 1040)Department of the Treasury
Internal Revenue Service
(59)

Name(s) shown on return

JAMES D PIERON, JR.**Capital Gains and Losses**

► Attach to Form 1040 or Form 1040NR. See Instructions for Schedule D (Form 1040).
 ► Use Form 8949 to list your transactions for lines 1, 2, 3, 8, 9, and 10.

OMB No. 1545-0074

2011Attachment
Sequence No. **12**Your social security number
2111**Part I Short-Term Capital Gains and Losses – Assets Held One Year or Less**

Complete Form 8949 before completing line 1, 2, or 3.

This form may be easier to complete if you round off cents to whole dollars.

	(e) Sales price from Form(s) 8949, line 2, column (e)	(f) Cost or other basis from Form(s) 8949, line 2, column (f)	(g) Adjustments to gain or loss from Form(s) 8949, line 2, column (g)	(h) Gain or (loss) Combine columns (e), (f), and (g)
1 Short-term totals from all Forms 8949 with box A checked in Part I				
2 Short-term totals from all Forms 8949 with box B checked in Part I				
3 Short-term totals from all Forms 8949 with box C checked in Part I				
4 Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824				4
5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1				6
6 Short-term capital loss carryover. Enter the amount, if any, from line 8 of your Capital Loss Carryover Worksheet in the instructions				6
7 Net short-term capital gain or (loss). Combine lines 1 through 6 in column (h). If you have any long-term capital gains or losses, go to Part II below. Otherwise, go to Part III on the back				7 0

Part II Long-Term Capital Gains and Losses – Assets Held More Than One Year

Complete Form 8949 before completing line 8, 9, or 10.

This form may be easier to complete if you round off cents to whole dollars.

	(e) Sales price from Form(s) 8949, line 4, column (e)	(f) Cost or other basis from Form(s) 8949, line 4, column (f)	(g) Adjustments to gain or loss from Form(s) 8949, line 4, column (g)	(h) Gain or (loss) Combine columns (e), (f), and (g)
8 Long-term totals from all Forms 8949 with box A checked in Part II				
9 Long-term totals from all Forms 8949 with box B checked in Part II				
10 Long-term totals from all Forms 8949 with box C checked in Part II				
11 Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824	0	92,641	-28,000	-120,641
12 Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1				11
13 Capital gain distributions. See the instructions				12
14 Long-term capital loss carryover. Enter the amount, if any, from line 13 of your Capital Loss Carryover Worksheet in the instructions				13
15 Net long-term capital gain or (loss). Combine lines 8 through 14 in column (h). Then go to Part III on the back				14
For Paperwork Reduction Act Notice, see your tax return instructions.				15 -120,641

Schedule D (Form 1040) 2011

AS AMENDED**10 B . 001**

027225

JAMES D PIERON, JR.
Schedule D (Form 1040) 2011

-2111

Page 2

Part III Summary

16 Combine lines 7 and 15 and enter the result	16	-120,641
<ul style="list-style-type: none"> • If line 16 is a gain, enter the amount from line 16 on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 17 below. • If line 16 is a loss, skip lines 17 through 20 below. Then go to line 21. Also be sure to complete line 22. • If line 16 is zero, skip lines 17 through 21 below and enter -0- on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 22. 		
17 Are lines 15 and 16 both gains?	18	
<input type="checkbox"/> Yes. Go to line 18. <input type="checkbox"/> No. Skip lines 18 through 21, and go to line 22.		
18 Enter the amount, if any, from line 7 of the 28% Rate Gain Worksheet in the instructions	18	
19 Enter the amount, if any, from line 18 of the Unrecaptured Section 1250 Gain Worksheet in the instructions	19	
20 Are lines 18 and 19 both zero or blank?	21	3,000)
<input type="checkbox"/> Yes. Complete Form 1040 through line 43, or Form 1040NR through line 41. Then complete the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44 (or in the instructions for Form 1040NR, line 42). Do not complete lines 21 and 22 below.		
<input type="checkbox"/> No. Complete Form 1040 through line 43, or Form 1040NR through line 41. Then complete the Schedule D Tax Worksheet in the instructions. Do not complete lines 21 and 22 below.		
21 If line 16 is a loss, enter here and on Form 1040, line 13, or Form 1040NR, line 14, the smaller of:	21	3,000)
<ul style="list-style-type: none"> • The loss on line 16 or • (\$3,000), or if married filing separately, (\$1,500)] 		
<p>Note. When figuring which amount is smaller, treat both amounts as positive numbers.</p>		
22 Do you have qualified dividends on Form 1040, line 9b, or Form 1040NR, line 10b?		
<input type="checkbox"/> Yes. Complete Form 1040 through line 43, or Form 1040NR through line 41. Then complete the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44 (or in the instructions for Form 1040NR, line 42).		
<input checked="" type="checkbox"/> No. Complete the rest of Form 1040 or Form 1040NR.		

Schedule D (Form 1040) 2011

DAA

AS AMENDED

10 B .001

027226

4 Totals. Add the amounts in columns (e) and (f). Also, combine the amounts in column (g). Enter here and include on Schedule D, line box A above is checked), line 9 (if box B above is checked), or line 11 (if box C above is checked)

DAA

AS AMENDED

10 B. 001

027227

Schedule E (Form 1040) 2011

Name(s) shown on return. Do not enter name and social security number if shown on other side.

Attachment Sequence No. 13

Page 2

JAMES D PIERON, JR.

Your social security number

2111

Caution. The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.
Part II Income or Loss From Partnerships and S Corporations. Note. If you report a loss from an at-risk activity for which any amount is not at risk, you must check the box in column (e) on line 28 and attach Form 6188. See instructions.

- 27 Are you reporting any loss not allowed in a prior year due to the at-risk or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? If you answered "Yes," see instructions before completing this section.

 Yes No

28	(a) Name	(b) Enter P for partnership; S for S corporation	(c) Check if foreign partnership	(d) Employer identification number	(e) Check if any amount is not at risk
A	NAVITAS INVESTMENTS LLC	P		27-2272008	
B					
C					
D					

Passive Income and Loss		Nonpassive Income and Loss		
(f) Passive loss allowed (attach Form 8582 if required)	(g) Passive income from Schedule K-1	(h) Nonpassive loss from Schedule K-1	(i) Section 179 expense deduction from Form 4562	(j) Nonpassive income from Schedule K-1
A *		183,705		
B				
C				
D				
29a Totals		183,705		
b Totals				
30 Add columns (g) and (j) of line 29a				30 0
31 Add columns (f), (h), and (i) of line 29b				31 183,705
32 Total partnership and S corporation income or (loss). Combine lines 30 and 31. Enter the result here and include in the total on line 41 below				32 -183,705

Part III Income or Loss From Estates and Trusts

33	(a) Name	(b) Employer identification number
A		
B		
Passive Income and Loss		Nonpassive Income and Loss
(c) Passive deduction or loss allowed (attach Form 8582 if required)	(d) Passive income from Schedule K-1	(e) Deduction or loss from Schedule K-1
A		
B		
34a Totals		
b Totals		
35 Add columns (d) and (f) of line 34a		
36 Add columns (c) and (e) of line 34b		
37 Total estate and trust income or (loss). Combine lines 35 and 36. Enter the result here and include in the total on line 41 below		

Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs)—Residual Holder

38	(a) Name	(b) Employer identification number	(c) Excess inclusion from Schedules Q, line 2c (see instructions)	(d) Taxable income (net loss) from Schedules Q, line 1b	(e) Income from Schedules Q, line 3b
39 Combine columns (d) and (e) only. Enter the result here and include in the total on line 41 below					39

Part V Summary

40 Net farm rental income or (loss) from Form 4835. Also, complete line 42 below	40
41 Total income or (loss). Combine lines 26, 32, 37, 39, & 40. Enter the result here & on Form 1040, line 17, or Form 1040NR, line 18	41 -183,705
42 Reconciliation of farming and fishing income. Enter your gross farming and fishing income reported on Form 4835, line 7; Schedule K-1 (Form 1065), box 14, code B; Schedule K-1 (Form 1120S), box 17, code U; and Schedule K-1 (Form 1041), line 14, code F (see instructions)	
43 Reconciliation for real estate professionals. If you were a real estate professional (see instructions), enter the net income or (loss) you reported anywhere on Form 1040 or Form 1040NR from all rental real estate activities in which you materially participated under the passive activity loss rules	

DAA

*LOSS LIMITED BY BASIS

Schedule E (Form 1040) 2011

AS AMENDED

10 B . 001

027228

Form 3800

Department of the Treasury
Internal Revenue Service (99)

Name(s) shown on return

General Business Credit

- See separate instructions.
- Attach to your tax return.

OMB No. 1545-0895

2011

Attachment Sequence No. 22

JAMES D PIERON, JR.

Identifying number
2111Part I Current Year Credit for Credits Not Allowed Against Tentative Minimum Tax (TMT)
(See instructions and complete Part(s) III before Parts I and II)

1 General business credit from line 2 of all Parts III with box A checked	1	9,621
2 Passive activity credits from line 2 of all Parts III with box B checked	2	
3 Enter the applicable passive activity credits allowed for 2011 (see instructions)	3	
4 Carryforward of general business credit to 2011. Enter the amount from line 2 of Part III with box C checked. See instructions for schedule to attach	4	6,714
5 Carryback of general business credit from 2012. Enter the amount from line 2 of Part III with box D checked (see instructions)	5	
6 Add lines 1, 3, 4, and 5	6	16,335

Part II Allowable Credit

7 Regular tax before credits:		
• Individuals. Enter the amount from Form 1040, line 44, or Form 1040NR, line 42	7	33,880
• Corporations. Enter the amount from Form 1120, Schedule J, Part I, line 2; or the applicable line of your return		
• Estates and trusts. Enter the sum of the amounts from Form 1041, Schedule G, lines 1a and 1b; or the amount from the applicable line of your return		
8 Alternative minimum tax:		
• Individuals. Enter the amount from Form 6251, line 35	8	
• Corporations. Enter the amount from Form 4626, line 14		
• Estates and trusts. Enter the amount from Schedule I (Form 1041), line 56		
9 Add lines 7 and 8	9	33,880
10a Foreign tax credit	10a	
b Personal credits from Form 1040 or 1040NR (see instructions)	10b	
c Add lines 10a and 10b		
11 Net income tax. Subtract line 10c from line 9. If zero, skip lines 12 through 15 and enter -0- on line 16a	11	33,880
12 Net regular tax. Subtract line 10c from line 7. If zero or less, enter -0-	12	33,880
13 Enter 25% (.25) of the excess, if any, of line 12 over \$25,000 (see instructions)	13	2,220
14 Tentative minimum tax:		
• Individuals. Enter the amount from Form 6251, line 33	14	29,911
• Corporations. Enter the amount from Form 4626, line 12		
• Estates and trusts. Enter the amount from Schedule I (Form 1041), line 54		
15 Enter the greater of line 13 or line 14	15	29,911
16a Subtract line 15 from line 11. If zero or less, enter -0-	16a	3,969
b For a corporation electing to accelerate the research credit, enter the bonus depreciation amount attributable to the research credit (see instructions)	16b	
c Add lines 16a and 16b	16c	3,969
17a Enter the smaller of line 6 or line 16c	17a	3,969
C corporations: See the line 17a instructions if there has been an ownership change, acquisition, or reorganization.		
b Enter the smaller of line 6 or line 16a. If you made an entry on line 16b, go to line 17c; otherwise, skip line 17c (see instructions)	17b	3,969
c Subtract line 17b from line 17a. This is the refundable amount for a corporation electing to accelerate the research credit. Include this amount on Form 1120, Schedule J, Part II, line 19c (or the applicable line of your return)	17c	

For Paperwork Reduction Act Notice, see separate instructions.
DAA

Form 3800 (2011)

AS AMENDED

10 B. 001

027229

JAMES D PIERON, JR.

Form 3800 (2011)

-2111

Page 2

Part II Allowable Credit (Continued)

Note. If you are not required to report any amounts on lines 22 or 24 below, skip lines 18 through 25 and enter -0- on line 26.

18 Multiply line 14 by 75% (.75) (see instructions)	18
19 Enter the greater of line 13 or line 18	19
20 Subtract line 19 from line 11. If zero or less, enter -0-	20
21 Subtract line 17b from line 20. If zero or less, enter -0-	21
22 Combine the amounts from line 3 of all Parts III with box A, C, or D checked	22
23 Passive activity credit from line 3 of all Parts III with box B checked	23
24 Enter the applicable passive activity credit allowed for 2011 (see instructions)	24
25 Add lines 22 and 24	25
26 Empowerment zone and renewal community employment credit allowed. Enter the smaller of line 21 or line 25	26 0
27 Subtract line 13 from line 11. If zero or less, enter -0-	27 31,660
28 Add lines 17b and 26	28 3,969
29 Subtract line 28 from line 27. If zero or less, enter -0-	29 27,691
30 Enter the general business credit from line 5 of all Parts III with box A checked	30
31 Enter the total eligible small business credit from line 6 of all Parts III with box E checked	31
32 Passive activity credits from line 5 of all Parts III with box B checked and line 6 of all Parts III with box F checked	32
33 Enter the applicable passive activity credits allowed for 2011 (see instructions)	33
34 Carryforward of business credit to 2011. Enter the amount from line 5 of Part III with box C checked and line 6 of Part III with box G checked. See instructions for schedule to attach	34
35 Carryback of business credit from 2012. Enter the amount from line 5 of Part III with box D checked and line 6 of Part III with box H checked (see instructions)	35
36 Add lines 30, 31, 33, 34, and 35	36
37 Enter the smaller of line 29 or line 36	37
38 Credit allowed for the current year. Add lines 28 and 37. Report the amount from line 38 (if smaller than the sum of Part I, line 6, and Part II, lines 25 and 36, see instructions) as indicated below or on the applicable line of your return: • Individuals. Form 1040, line 53, or Form 1040NR, line 50	38 3,969
• Corporations. Form 1120, Schedule J, Part I, line 5c	
• Estates and trusts. Form 1041, Schedule G, line 2b	

Form 3800 (2011)

DAA

AS AMENDED

10 B. 001

027230

Form 3800 (2011) JAMES D PIERON, JR.

2111

Page 3

Part III General Business Credits or Eligible Small Business Credits (see instructions)

- Complete a separate Part III for each box checked below. (see instructions)
- | | | | |
|----------------------------|---|----------------------------|--|
| A <input type="checkbox"/> | General Business Credit From a Non-Passive Activity | E <input type="checkbox"/> | Eligible Small Business Credit From a Non-Passive Activity |
| B <input type="checkbox"/> | General Business Credit From a Passive Activity | F <input type="checkbox"/> | Eligible Small Business Credit From a Passive Activity |
| C <input type="checkbox"/> | General Business Credit Carryforwards | G <input type="checkbox"/> | Eligible Small Business Credit Carryforwards |
| D <input type="checkbox"/> | General Business Credit Carrybacks | H <input type="checkbox"/> | Eligible Small Business Credit Carrybacks |

I If you are filing more than one Part III with box A, B, E, or F checked, complete and attach first an additional Part III combining amounts from all Parts III with box A, B, E, or F checked. Check here if this is the consolidated Part III X

(a) Description of credit

(b) If claiming the credit from a pass-through entity, enter the EIN

(c) Enter the appropriate amount

Note: On any line where the credit is from more than one source, a separate Part III is needed for each pass-through entity.		
1a Investment (Form 3468, Part II only) (attach Form 3468)	1a	
b Reserved for future use	1b	
c Increasing research activities (Form 6765)	1c	
d Low-income housing (Form 8586, Part I only)	1d	16,335
e Disabled access (Form 8826) (do not enter more than \$5,000 in column (c) of Parts III with box A, B, E, or F checked, combined)	1e	
f Renewable electricity, refined coal, and Indian coal production (Form 8835)	1f	
g Indian employment (Form 8845)	1g	
h Orphan drug (Form 8820)	1h	
i New markets (Form 8874)	1i	
j Small employer pension plan startup costs (Form 8881) (do not enter more than \$500 in column (c) of Parts III with box A, B, E, or F checked, combined)	1j	
k Employer-provided child care facilities and services (Form 8882)	1k	
l Biodiesel and renewable diesel fuels (attach Form 8864)	1l	
m Low sulfur diesel fuel production (Form 8896)	1m	
n Distilled spirits (Form 8906)	1n	
o Nonconventional source fuel (Form 8907)	1o	
p Energy efficient home (Form 8908)	1p	
q Energy efficient appliance (Form 8909)	1q	
r Alternative motor vehicle (Form 8910)	1r	
s Alternative fuel vehicle refueling property (Form 8911)	1s	
t Reserved for future use	1t	
u Mine rescue team training (Form 8923)	1u	
v Agricultural chemicals security (Form 8931) (do not enter more than \$2 million in column (c) of Parts III with box A, B, E, or F checked, combined)	1v	
w Employer differential wage payments (Form 8932)	1w	
x Carbon dioxide sequestration (Form 8933)	1x	
y Qualified plug-in electric drive motor vehicle (Form 8936)	1y	
z Qualified plug-in electric vehicle (Form 8834, Part I only)	1z	
aa New hire retention (Form 5884-B)	1aa	
bb General credits from an electing large partnership (Schedule K-1 (Form 1065-B))	1bb	
zz Other	1zz	
2 Add lines 1a through 1zz and enter here	2	16,335
3 Enter the amount from Form 8844	3	
4a Investment (Form 3468, Part III) (attach Form 3468)	4a	
b Work opportunity (Form 5884)	4b	
c Alcohol and cellulosic biofuel fuels (Form 6478)	4c	
d Low-income housing (Form 8586, Part II)	4d	
e Renewable electricity, refined coal, and Indian coal production (Form 8835)	4e	
f Employer social security and Medicare taxes paid on certain employee tips (Form 8846)	4f	
g Qualified railroad track maintenance (Form 8900)	4g	
h Small employer health insurance premiums (Form 8941)	4h	
i Reserved for future use	4i	
j Reserved for future use	4j	
z Other	4z	
5 Add lines 4a through 4z and enter here	5	
6 Add lines 2, 3, and 5	6	16,335

DAA

Form 3800 (2011)

AS AMENDED

10 B. 001

027231

Form 3800 (2011) JAMES D PIERON, JR.

-2111

Page 3

Part III General Business Credits or Eligible Small Business Credits (see instructions)

Complete a separate Part III for each box checked below. (see instructions)

- | | |
|---|---|
| A <input checked="" type="checkbox"/> General Business Credit From a Non-Passive Activity | E <input type="checkbox"/> Eligible Small Business Credit From a Non-Passive Activity |
| B <input type="checkbox"/> General Business Credit From a Passive Activity | F <input type="checkbox"/> Eligible Small Business Credit From a Passive Activity |
| C <input type="checkbox"/> General Business Credit Carryforwards | G <input type="checkbox"/> Eligible Small Business Credit Carryforwards |
| D <input type="checkbox"/> General Business Credit Carrybacks | H <input type="checkbox"/> Eligible Small Business Credit Carrybacks |

I If you are filing more than one Part III with box A, B, E, or F checked, complete and attach first an additional Part III combining amounts from all Parts III with box A, B, E, or F checked. Check here if this is the consolidated Part III

(a) Description of credit

(b) If claiming the credit
from a pass-through
entity, enter the EIN(c) Enter the appropriate
amount

Note: On any line where the credit is from more than one source, a separate Part III is needed for each pass-through entity.		
1a Investment (Form 3468, Part II only) (attach Form 3468)	1a	
b Reserved for future use	1b	
c Increasing research activities (Form 6765)	1c 27-2272008	9,621
d Low-income housing (Form 8586, Part I only)	1d	
e Disabled access (Form 8826) (do not enter more than \$5,000 in column (c) of Parts III with box A, B, E, or F checked, combined)	1e	
f Renewable electricity, refined coal, and Indian coal production (Form 8835)	1f	
g Indian employment (Form 8845)	1g	
h Orphan drug (Form 8820)	1h	
i New markets (Form 8874)	1i	
j Small employer pension plan startup costs (Form 8881) (do not enter more than \$500 in column (c) of Parts III with box A, B, E, or F checked, combined)	1j	
k Employer-provided child care facilities and services (Form 8882)	1k	
l Biodiesel and renewable diesel fuels (attach Form 8864)	1l	
m Low sulfur diesel fuel production (Form 8896)	1m	
n Distilled spirits (Form 8906)	1n	
o Nonconventional source fuel (Form 8907)	1o	
p Energy efficient home (Form 8908)	1p	
q Energy efficient appliance (Form 8909)	1q	
r Alternative motor vehicle (Form 8910)	1r	
s Alternative fuel vehicle refueling property (Form 8911)	1s	
t Reserved for future use	1t	
u Mine rescue team training (Form 8923)	1u	
v Agricultural chemicals security (Form 8931) (do not enter more than \$2 million in column (c) of Parts III with box A, B, E, or F checked, combined)	1v	
w Employer differential wage payments (Form 8932)	1w	
x Carbon dioxide sequestration (Form 8933)	1x	
y Qualified plug-in electric drive motor vehicle (Form 8936)	1y	
z Qualified plug-in electric vehicle (Form 8834, Part I only)	1z	
aa New hire retention (Form 5884-B)	1aa	
bb General credits from an electing large partnership (Schedule K-1 (Form 1065-B))	1bb	
zz Other	1zz	
2 Add lines 1a through 1zz and enter here	2	9,621
3 Enter the amount from Form 8844	3	
4a Investment (Form 3468, Part III) (attach Form 3468)	4a	
b Work opportunity (Form 5884)	4b	
c Alcohol and cellulosic biofuel fuels (Form 6478)	4c	
d Low-income housing (Form 8586, Part II)	4d	
e Renewable electricity, refined coal, and Indian coal production (Form 8835)	4e	
f Employer social security and Medicare taxes paid on certain employee tips (Form 8846)	4f	
g Qualified railroad track maintenance (Form 8900)	4g	
h Small employer health insurance premiums (Form 8941)	4h	
i Reserved for future use	4i	
j Reserved for future use	4j	
z Other	4z	
5 Add lines 4a through 4z and enter here	5	
6 Add lines 2, 3, and 5	6	9,621

DAA

Form 3800 (2011)

AS AMENDED

10 B . 001

027232

Form 3800 (2011) JAMES D PIERON, JR.

2111

Page 3

Part III General Business Credits or Eligible Small Business Credits (see instructions)

Complete a separate Part III for each box checked below. (see instructions)

- | | |
|--|---|
| A <input type="checkbox"/> General Business Credit From a Non-Passive Activity | E <input type="checkbox"/> Eligible Small Business Credit From a Non-Passive Activity |
| B <input type="checkbox"/> General Business Credit From a Passive Activity | F <input type="checkbox"/> Eligible Small Business Credit From a Passive Activity |
| C <input checked="" type="checkbox"/> General Business Credit Carryforwards | G <input type="checkbox"/> Eligible Small Business Credit Carryforwards |
| D <input type="checkbox"/> General Business Credit Carrybacks | H <input type="checkbox"/> Eligible Small Business Credit Carrybacks |

- I If you are filing more than one Part III with box A, B, E, or F checked, complete and attach first an additional Part III combining amounts from all Parts III with box A, B, E, or F checked. Check here if this is the consolidated Part III ►

(a) Description of credit

Note: On any line where the credit is from more than one source, a separate Part III is needed for each pass-through entity.

(b) If claiming the credit from a pass-through entity, enter the EIN

(c) Enter the appropriate amount

1a Investment (Form 3468, Part II only) (attach Form 3468)	1a	
b Reserved for future use	1b	
c Increasing research activities (Form 6765)	1c	6,714
d Low-income housing (Form 8586, Part I only)	1d	
e Disabled access (Form 8826) (do not enter more than \$5,000 in column (c) of Parts III with box A, B, E, or F checked, combined)	1e	
f Renewable electricity, refined coal, and Indian coal production (Form 8835)	1f	
g Indian employment (Form 8845)	1g	
h Orphan drug (Form 8820)	1h	
i New markets (Form 8874)	1i	
j Small employer pension plan startup costs (Form 8881) (do not enter more than \$500 in column (c) of Parts III with box A, B, E, or F checked, combined)	1j	
k Employer-provided child care facilities and services (Form 8882)	1k	
l Biodiesel and renewable diesel fuels (attach Form 8864)	1l	
m Low sulfur diesel fuel production (Form 8896)	1m	
n Distilled spirits (Form 8906)	1n	
o Nonconventional source fuel (Form 8907)	1o	
p Energy efficient home (Form 8908)	1p	
q Energy efficient appliance (Form 8909)	1q	
r Alternative motor vehicle (Form 8910)	1r	
s Alternative fuel vehicle refueling property (Form 8911)	1s	
t Reserved for future use	1t	
u Mine rescue team training (Form 8923)	1u	
v Agricultural chemicals security (Form 8931) (do not enter more than \$2 million in column (c) of Parts III with box A, B, E, or F checked, combined)	1v	
w Employer differential wage payments (Form 8932)	1w	
x Carbon dioxide sequestration (Form 8933)	1x	
y Qualified plug-in electric drive motor vehicle (Form 8936)	1y	
z Qualified plug-in electric vehicle (Form 8834, Part I only)	1z	
aa New hire retention (Form 5884-B)	1aa	
bb General credits from an electing large partnership (Schedule K-1 (Form 1065-B))	1bb	
zz Other	1zz	
2 Add lines 1a through 1zz and enter here	2	6,714
3 Enter the amount from Form 8844	3	
4a Investment (Form 3468, Part III) (attach Form 3468)	4a	
b Work opportunity (Form 5884)	4b	
c Alcohol and cellulosic biofuel fuels (Form 6478)	4c	
d Low-income housing (Form 8586, Part II)	4d	
e Renewable electricity, refined coal, and Indian coal production (Form 8835)	4e	
f Employer social security and Medicare taxes paid on certain employee tips (Form 8846)	4f	
g Qualified railroad track maintenance (Form 8900)	4g	
h Small employer health insurance premiums (Form 8941)	4h	
i Reserved for future use	4i	
j Reserved for future use	4j	
z Other	4z	
5 Add lines 4a through 4z and enter here	5	
6 Add lines 2, 3, and 5	6	6,714

OAA

Form 3800 (2011)

AS AMENDED

10 B.001

027233

Form 4797

Department of the Treasury
Internal Revenue Service (99)

Sales of Business Property
(Also Involuntary Conversions and Recapture Amounts
Under Sections 179 and 280F(b)(2))

► Attach to your tax return. ► See separate instructions.

OMB No. 1545-0184

2011Attachment Sequence No. **27**

Name(s) shown on return

JAMES D PIERON, JR.

Identifying number

2111

- 1 Enter the gross proceeds from sales or exchanges reported to you for 2011 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions) **1**
- Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft—Most Property Held More Than 1 Year (see instructions)**

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)

- 3 Gain, if any, from Form 4684, line 39 **3**
- 4 Section 1231 gain from Installment sales from Form 6252, line 26 or 37 **4**
- 5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824 **5**
- 6 Gain, if any, from line 32, from other than casualty or theft **6**
- 7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows:
 Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.
 Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below. **7**
- 8 Nonrecaptured net section 1231 losses from prior years (see instructions) **8**
- 9 Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions) **9**

Part II Ordinary Gains and Losses (see instructions)

- 10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

SECTION 1244 LOSS LIMITATION

IB TECHNOLOGIES	05/07/09	12/31/11	78,000	-78,000
11 Loss, if any, from line 7			11)
12 Gain, if any, from line 7 or amount from line 8, if applicable			12	
13 Gain, if any, from line 31			13	
14 Net gain or (loss) from Form 4684, lines 31 and 38a			14	
15 Ordinary gain from installment sales from Form 6252, line 25 or 36			15	
16 Ordinary gain or (loss) from like-kind exchanges from Form 8824			16	
17 Combine lines 10 through 16			17	-50,000
18 For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below:			18a	
a If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23, identify as from "Form 4797, line 18a." See instructions			18b	-50,000
b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 148b				Form 4797 (2011)

For Paperwork Reduction Act Notice, see separate Instructions.

THERE ARE NO AMOUNTS FOR PAGE 2

DAA

AS AMENDED**10 B . 001**
027234

Form 6251

Alternative Minimum Tax—Individuals

OMB No. 1545-0074

2011

Attachment Sequence No. 32

Department of the Treasury
Internal Revenue Service (98)

Name(s) shown on Form 1040 or Form 1040NR

JAMES D PIERON, JR.

► See separate instructions.

► Attach to Form 1040 or Form 1040NR.

Your social security number
2111

1	153,295
2	
3	
4	
5	
6	
7)
8	
9	
10	
11)
12	
13	
14	
15	
16	
17	
18	
19	
20	0
21	
22	
23	
24	
25)
26	
27	
28	153,295

Part II Alternative Minimum Tax (AMT)

29	Exemption. (If you were under age 24 at the end of 2011, see instructions.) IF your filing status is ... Single or head of household Married filing jointly or qualifying widow(er) Married filing separately If line 28 is over the amount shown above for your filing status, see instructions.	AND line 28 is not over ... \$112,500 150,000 75,000 THEN enter on line 29 ... \$48,450 74,450 37,225	29	38,251
30	Subtract line 29 from line 28. If more than zero, go to line 31. If zero or less, enter -0- here and on lines 31, 33, and 35, and go to line 34.		30	115,044
31	• If you are filing Form 2555 or 2555-EZ, see instructions for the amount to enter. • If you reported capital gain distributions directly on Form 1040, line 13; you reported qualified dividends on Form 1040, line 9b; or you had a gain on both lines 15 and 16 of Schedule D (Form 1040) (as refigured for the AMT, if necessary), complete Part III on the back and enter the amount from line 54 here. • All others: If line 30 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 30 by 26% (.26). Otherwise, multiply line 30 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately) from the result.		31	29,911
32	Alternative minimum tax foreign tax credit (see instructions)	32		
33	Tentative minimum tax. Subtract line 32 from line 31	33	29,911	
34	Tax from Form 1040, line 44 (minus any tax from Form 4972 and any foreign tax credit from Form 1040, line 47). If you used Schedule J to figure your tax, the amount from line 44 of Form 1040 must be refigured without using Schedule J (see instructions)	34	33,880	
35	AMT. Subtract line 34 from line 33. If zero or less, enter -0-. Enter here and on Form 1040, line 45	35	0	

For Paperwork Reduction Act Notice, see your tax return instructions.

Form 6251 (2011)

DAA

AS AMENDED

10 B. 001
027235

Form 982

(Rev. February 2011)

Department of the Treasury
Internal Revenue Service

Name shown on return

JAMES D PIERON, JR.

Reduction of Tax Attributes Due to Discharge of
Indebtedness (and Section 1082 Basis Adjustment)

► Attach this form to your income tax return.

OMB No. 1545-0046

Attachment
Sequence No. 94

Identifying number

2111

Part I General Information (see instructions)

- 1 Amount excluded is due to (check applicable box(es)):
- a Discharge of indebtedness in a title 11 case
 - b Discharge of indebtedness to the extent insolvent (not in a title 11 case)
 - c Discharge of qualified farm indebtedness
 - d Discharge of qualified real property business indebtedness
 - e Discharge of qualified principal residence indebtedness
- 2 Total amount of discharged indebtedness excluded from gross income **2 13,370,885**
- 3 Do you elect to treat all real property described in section 1221(a)(1), relating to property held for sale to customers in the ordinary course of a trade or business, as if it were depreciable property? Yes No

X

Part II Reduction of Tax Attributes. You must attach a description of any transactions resulting in the reduction in basis under section 1017. See Regulations section 1.1017-1 for basis reduction ordering rules, and, if applicable, required partnership consent statements. (For additional information, see the instructions for Part II.)

Enter amount excluded from gross income:

- 4 For a discharge of qualified real property business indebtedness applied to reduce the basis of depreciable real property **4**
- 5 That you elect under section 108(b)(5) to apply first to reduce the basis (under section 1017) of depreciable property **5**
- 6 Applied to reduce any net operating loss that occurred in the tax year of the discharge or carried over to the tax year of the discharge **6**
- 7 Applied to reduce any general business credit carryover to or from the tax year of the discharge **7 6,714**
- 8 Applied to reduce any minimum tax credit as of the beginning of the tax year immediately after the tax year of the discharge **8**
- 9 Applied to reduce any net capital loss for the tax year of the discharge, including any capital loss carryovers to the tax year of the discharge **9 120,641**
- 10a Applied to reduce the basis of nondepreciable and depreciable property if not reduced on line 5.
DO NOT use in the case of discharge of qualified farm indebtedness **10a**
- b Applied to reduce the basis of your principal residence. Enter amount here ONLY if line 1e is checked **10b**
- 11 For a discharge of qualified farm indebtedness applied to reduce the basis of **11a**
- b Depreciable property used or held for use in a trade or business or for the production of income if not reduced on line 5 **11b**
- b Land used or held for use in trade or business of farming **11c**
- c Other property used or held for use in a trade or business or for the production of income **12**
- 12 Applied to reduce any passive activity loss and credit carryovers from the tax year of the discharge **13**
- 13 Applied to reduce any foreign tax credit carryover to or from the tax year of the discharge **13**

Part III Consent of Corporation to Adjustment of Basis of its Property Under Section 1082(a)(2)

Under section 1081(b), the corporation named above has excluded \$ from its gross income for the tax year beginning and ending

Under that section, the corporation consents to have the basis of its property adjusted in accordance with the regulations prescribed under section 1082(a)(2) in effect at the time of filing its income tax return for that year. The corporation is organized under the laws of

(State of incorporation)

Note. You must attach a description of the transactions resulting in the nonrecognition of gain under section 1081.

For Paperwork Reduction Act Notice, see page 5 of this form.

Form 982 (Rev. 2-2011)

DAA

AS AMENDED**108.001**

027236

2111

Federal Statements

Statement 1 - Form 1040, Line 21 - Other Income

Description	Amount
TOTAL DEBT CANCELED	\$ 13,670,885
EXCLUDED CANCELED DEBT	-13,370,885
TOTAL	\$ <u>300,000</u>

AS AMENDED

Form 1040		Insolvency Worksheet	2011
Name JAMES D PIERON, JR.	Taxpayer Identification Number -2111		
Part I. Total liabilities immediately before the cancellation (do not include the same liability in more than one category)			
Liabilities (Debt)		Amount Owed Immediately Before the Cancellation	
1. Credit card debt	1.		
2. Mortgage(s) on real property (including first and second mortgages and home equity loans) (mortgage(s) can be on personal residence, any additional residence, or property held for investment or used in trade or business)	2.		
3. Car and other vehicle loans	3.		
4. Medical bills	4.		
5. Student loans	5.		
6. Accrued or past-due mortgage interest	6.		
7. Accrued or past-due real estate taxes	7.		
8. Accrued or past-due utilities (water, gas, electric)	8.		
9. Accrued or past-due child care costs	9.		
10. Federal or state income taxes remaining due (for prior years)	10.	445,136	
11. Loans owed to IRA accounts, 401(k) accounts, and other retirement accounts	11.		
12. Loans against insurance policies	12.		
13. Judgements	13.		
14. Business debts (including those owed as a sole proprietor or partner)	14.		
15. Margin debt on stocks and other debt to purchase or secured by investment assets other than real property	15.		
16. Other liabilities (debts) not included above	16.	13,225,749	
17. Total liabilities immediately before the cancellation. Add lines 1 through 16.	17.	13,670,885	
Part II. Fair market value (FMV) of assets owned immediately before the cancellation (do not include the FMV of the same asset in more than one category)			
Assets		FMV Immediately Before the Cancellation	
18. Cash and bank account balances	18.	100	
19. Residences, (including the value of land) (can be personal residence, and additional residence, or property held for investment or used in trade or business)	19.		
20. Cars and other vehicles	20.	25,000	
21. Computers	21.		
22. Household goods and furnishings (for example, appliances, electronics, and furniture)	22.		
23. Tools	23.		
24. Jewelry	24.		
25. Clothing	25.		
26. Books	26.		
27. Stocks and bonds	27.		
28. Investments in coins, stamps, paintings, or other collectibles	28.		
29. Firearms, sports, photographic, and other hobby equipment	29.		
30. Interest in retirement accounts (IRA accounts, 401(k) accounts, and other retirement accounts)	30.		
31. Interest in a pension plan	31.		
32. Interest in education accounts	32.		
33. Cash value of life insurance	33.		
34. Security deposits with landlords, utilities, and others	34.		
35. Interest in partnerships	35.		
36. Value of investment in a business	36.	251,000	
37. Other investments (for example, annuity contracts, guaranteed investment contracts, mutual funds, commodity accounts, interest in hedge funds, and options)	37.		
38. Other assets not included above	38.	23,900	
39. FMV of total assets Immediately before the cancellation. Add lines 18 through 38	39.	300,000	
Part III. Insolvency			
40. Amount of insolvency. Subtract line 39 from line 17. If zero or less, you are not insolvent.	40.	13,370,885	
Part IV. Total cancelled debt due to insolvency			
41. Amount of insolvency - line 40	41.	13,370,885	
42. Total income requested to be excluded due to insolvency (total amount from Cancellation of Debt Worksheet)	42.	13,370,885	
43. Total income excluded due to insolvency. Lesser of line 41 and line 42.	43.	13,370,885	

AS AMENDED

10 B. 001

027238

Form 1040		Cancellation of Debt Worksheet						
Name	JAMES D PIERON, JR.							
		2011						
		027239						
Form 1099-C Creditor Name		Form	Unit	(A) 1099-C Box 2 Debt Canceled	(B) 1099-C Box 3 Deduct. Interest	(C) Box 2 Exception/ Exclusion Amount	Net Amount In Income (A) - (B) - (C)	Exception/Exclusion to Inclusion in Income
U.S. TREASURY		1040		445,136	13,225,749	145,136	300,000	INCOME TAXES
		1040		13,670,885		13,370,885	300,000	GAIN REIMBURSEMENT FORGIV
TOTAL REPORTED ON 1040, LINE 21								
AS AMENDED								
10 B. 001								

2111

Federal Statements

T

Insolvency Worksheet, Line 10 - Federal or State Income Taxes Due from Prior Years

Description	Amount
2008 - 2010	\$ 445,136
TOTAL	\$ 445,136

T

Insolvency Worksheet, Line 16 - Other Liabilities

Description	Amount
GAIN REIMBURSEMENT	\$ 13,225,749
TOTAL	\$ 13,225,749

T

Insolvency Worksheet, Line 18 - Fair Market Value of Cash and Bank Account Balances

Description	Amount
PNC BANK	\$ 100
TOTAL	\$ 100

T

Insolvency Worksheet, Line 20 - Fair Market Value of Cars and Other Vehicles

Description	Amount
(CAR) VW	\$ 25,000
TOTAL	\$ 25,000

T

Insolvency Worksheet, Line 36 - Fair market Value of Investments in Businesses

Description	Amount
NAVITAS INVESTMENTS, LLC	\$ 1,000
KOMPLIQUE, INC.	250,000
TOTAL	\$ 251,000

T

Insolvency Worksheet, Line 38 - Fair Market Value of Other Assets

Description	Amount
USED FITNESS EQUIPMENT	\$ 20,000
ASSET ROUND TO 300,000	3,900
TOTAL	\$ 23,900

AS AMENDED

10 B.001

027240

2111

Federal Statements**6765**Increasing research activities Adjustment from Form 982

Description	Amount
CREDIT UTILIZED IN CURRENT YEAR	\$ -3,969
CREDIT REDUCED BY ATTRIBUTE REDUCTION, FORM 982, LINE 7	-6,714
TOTAL	\$ -10,683

AS AMENDED**10B.001**

027241

Form 1040	General Business Credit Carryover Report		2011
Name			Taxpayer Identification Number [REDACTED] 2111
JAMES D PIERON, JR.			
<u>General Business Credit Carryover for Form 6765</u>			
<u>INCREASING RESEARCH ACTIVITIES</u>			
Prior Tax Year	Prior Year Carryover Amount	Credit Amount Generated/Utilized	Credit Carryover to Next Year
1996			
1997			
1998			
1999			
2000			
2001			
2002			
2003			
2004			
2005			
2006			
2007			
2008			
2009			
2010	6,714		6,714
	Utilized in 2011	*	-10,683
	Generated in 2011		9,621
	General Business Credit Carryover to 2012		
			5,652

*CARRYOVER REDUCED BY ATTRIBUTE REDUCTION, FORM 982

AS AMENDED

10 B. 001
027242

Form 1040 U.S. Individual Income Tax Return 2011		Department of the Treasury—Internal Revenue Service (99)	OMB No. 1545-0074	IRS Use Only—Do not write or staple in this space.
For the year Jan. 1-Dec. 31, 2011, or other tax year beginning		2011, ending	20	See separate instructions.
Your first name and initial JAMES D		Last name PIERON, JR.	Your social security number 2111	
If a joint return, spouse's first name and initial		Last name	Spouse's social security number	
Home address (number and street). If you have a P.O. box, see instructions. 1916 CHURCHILL BLVD.		Apt. no.	▲ Make sure the SSN(s) above and on lines 6c are correct.	
City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). MT. PLEASANT MI 48858		Foreign postal code	Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.	
Foreign country name		Foreign province/county	<input type="checkbox"/> You <input type="checkbox"/> Spouse	
Filing Status 1 <input checked="" type="checkbox"/> Single 2 <input type="checkbox"/> Married filing jointly (even if only one had income) 3 <input type="checkbox"/> Married filing separately. Enter spouse's SSN above and full name here. ►		4 <input type="checkbox"/> Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. ►		
Check only one box.		5 <input type="checkbox"/> Qualifying widow(er) with dependent child		
Exemptions 6a <input checked="" type="checkbox"/> Yourself. If someone can claim you as a dependent, do not check box 6a. b <input type="checkbox"/> Spouse c Dependents:		Boxes checked on 6a and 6b No. of children on 6c who: (4) <input type="checkbox"/> If child under age 17 qua: <input type="checkbox"/> lived with you for child tax credit (see Inst.) a did not live with you due to divorce or separation (see instructions) Dependents on 6c not entered above Add numbers on lines above ► 1 90,000		
If more than four dependents, see instructions and check here ► <input type="checkbox"/>				
d Total number of exemptions claimed				
Income Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.		7 Wages, salaries, tips, etc. Attach Form(s) W-2	7	
		8a Taxable interest. Attach Schedule B if required	8a	
		b Tax-exempt interest. Do not include on line 8a	8b	
		9a Ordinary dividends. Attach Schedule B if required	9a	
		b Qualified dividends	9b	
		10 Taxable refunds, credits, or offsets of state and local income taxes	10	
		11 Alimony received	11	
If you did not get a W-2, see instructions.		12 Business income or (loss). Attach Schedule C or C-EZ	12	
		13 Capital gain or (loss). Attach Schedule D if required. If not required, check here ►	13	-3,000
		14 Other gains or (losses). Attach Form 4797	14	-50,000
		15a IRA distributions	15a	b Taxable amount
		16a Pensions and annuities	16a	b Taxable amount
Enclose, but do not attach, any payment. Also, please use Form 1040-V.		17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	
		18 Farm income or (loss). Attach Schedule F	18	
		19 Unemployment compensation	19	
		20a Social security benefits	20a	b Taxable amount
		21 Other income. List type and amount	21	
		22 Combine the amounts in the far right column for lines 7 through 21. This is your total income ►	22	-146,705
Adjusted Gross Income		23 Educator expenses	23	
		24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ	24	
		25 Health savings account deduction. Attach Form 8889	25	
		26 Moving expenses. Attach Form 3903	26	
		27 Deductible part of self-employment tax. Attach Schedule SE	27	
		28 Self-employed SEP, SIMPLE, and qualified plans	28	
		29 Self-employed health insurance deduction	29	
		30 Penalty on early withdrawal of savings	30	
		31a Alimony paid b Recipient's SSN ►	31a	
		32 IRA deduction	32	
		33 Student loan interest deduction	33	
		34 Tuition and fees. Attach Form 8917	34	
		35 Domestic production activities deduction. Attach Form 8903	35	
RECEIVED 04 08 2011 37 Subtract line 36 from line 22. This is your adjusted gross income ►		Add lines 23 through 35	36	
		37 Subtract line 36 from line 22. This is your adjusted gross income ►	37	-146,705
For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. DAA FRESNO, CA AS ORIGINALLY FILED				

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see GSA's FAR Case 5010.126-11.

**AS ORIGINALLY
FILED**

1@B.001

027243

Form 1040 (2011) JAMES D PIERON, JR.		2111 Page 2 -146,705
Tax and Credits		
38 Amount from line 37 (adjusted gross income)		38
39a Check <input type="checkbox"/> You were born before January 2, 1947, <input type="checkbox"/> Blind. } Total boxes checked ► 39a		40
if: <input type="checkbox"/> Spouse was born before January 2, 1947, <input type="checkbox"/> Blind. } Total boxes checked ► 39a		41
b If your spouse itemizes on a separate return or you were a dual-status alien, check here <input type="checkbox"/> 39b		42
40 Itemized deductions (from Schedule A) or your standard deduction (see left margin)		43
41 Subtract line 40 from line 38		44
42 Exemptions. Multiply \$3,700 by the number on line 6d		45
43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-		46
44 Tax (see instructions). Check if any form: a <input type="checkbox"/> Form 8814 b <input type="checkbox"/> Form 4972 c <input type="checkbox"/> Form 962 elec.		
45 Alternative minimum tax (see instructions). Attach Form 6251		
46 Add lines 44 and 45		
47 Foreign tax credit. Attach Form 1116 if required		47
48 Credit for child and dependent care expenses. Attach Form 2441		48
49 Education credits from Form 8863, line 23		49
50 Retirement savings contributions credit. Attach Form 8880		50
51 Child tax credit (see instructions)		51
52 Residential energy credits. Attach Form 5695		52
53 Other credits from Form a <input type="checkbox"/> 3800 b <input type="checkbox"/> 8801 c <input type="checkbox"/>		53
54 Add lines 47 through 53. These are your total credits		54
55 Subtract line 54 from line 46. If line 54 is more than line 46, enter -0-		55
56 Self-employment tax. Attach Schedule SE		56
57 Unreported social security and Medicare tax from Form a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8819		57
58 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required		58
59a Household employment taxes from Schedule H		59a
b First-time homebuyer credit repayment. Attach Form 5405 if required		59b
60 Other taxes. Enter code(s) from instructions		60
61 Add lines 55 through 60. This is your total tax		61
Payments		
62 Federal income tax withheld from Forms W-2 and 1099		62
63 2011 estimated tax payments and amount applied from 2010 return		17,196
64a Earned Income credit (EIC)		63
b Nontaxable combat pay election <input type="checkbox"/> 64b		64a
65 Additional child tax credit. Attach Form 8812		65
66 American opportunity credit from Form 8863, line 14		66
67 First-time homebuyer credit from Form 5405, line 10		67
68 Amount paid with request for extension to file		68
69 Excess social security and tier 1 RRTA tax withheld		69
70 Credit for federal tax on fuels. Attach Form 4136		70
71 Credits from Form: a <input type="checkbox"/> 2439 b <input type="checkbox"/> 8839 c <input type="checkbox"/> 8801 d <input type="checkbox"/> 8885		71
72 Add lines 62, 63, 64a, and 65 through 71. These are your total payments		72
Refund		17,196
73 If line 72 is more than line 61, subtract line 61 from line 72. This is the amount you overpaid		73
74a Amount of line 73 you want refunded to you. If Form 8888 is attached, check here <input type="checkbox"/> 74a		17,196
b Routing number <input type="checkbox"/> XXXXXXXXXX c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		17,196
d Account number <input type="checkbox"/> XXXXXXXXXXXXXXXXXXXX		17,196
75 Amount of line 73 you want applied to your 2012 estimated tax <input type="checkbox"/> 75		
Amount You Owe		76
76 Amount you owe. Subtract line 72 from line 61. For details on how to pay, see instructions <input type="checkbox"/>		76
77 Estimated tax penalty (see instructions) <input type="checkbox"/> 77		77
Do you want to allow another person to discuss this return with the IRS (see instructions) <input checked="" type="checkbox"/> Yes, Complete below. <input type="checkbox"/> No		
Designee's name ► KIM D. PAVLIK		Personal identification number (PIN) ► 11111
		Phone no. ► 989-497-5300
Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge. Your signature		Date Your occupation SALES MANAGER Daytime phone number
Spouse's signature. If a joint return, both must sign.		Date Spouse's occupation If the IRS sends you an Identity Protection PIN, enter it here (see instructions)
Print/Type preparer's name KIM D. PAVLIK		Date <input type="checkbox"/> If self-employed PTIN P00044903
Preparer Firm's name ► ANDREWS HOOPER PAVLIK PLC		Firm's EIN ► 3790
Use Only Firm's address ► 5300 GRATIOT RD SAGINAW MI 48638-6035		Phone no. 989-497-5300

DAA

**AS ORIGINALLY
FILED**

10 B. 001

027244

SCHEDULE B

(Form 1040A or 1040)

Department of the Treasury
Internal Revenue Service (89)

Name(s) shown on return

JAMES D PIERON, JR.**Interest and Ordinary Dividends**

► Attach to Form 1040A or 1040.

► See instructions on back.

OMB No. 1545-0074

2011

Attachment Sequence No. 08

Your social security number

2111

Amount

Part I
Interest(See instructions
on back and the
instructions for
Form 1040A, or
Form 1040,
line 8a.)Note. If you
received a Form
1099-INT, Form
1099-O/D, or
substitute
statement from
a brokerage firm,
list the firm's
name as the
payer and enter
the total interest
shown on that
form.

- 1 List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see instructions on back and list this interest first. Also, show that buyer's social security number and address ►

- 2 Add the amounts on line 1
3 Excludable interest on series EE and I U.S. savings bonds issued after 1989.
Attach Form 8815
4 Subtract line 3 from line 2. Enter the result here and on Form 1040A, or Form 1040, line 8a

Note. If line 4 is over \$1,500, you must complete Part III.

Part II

- 5 List name of payer ►

**Ordinary
Dividends**(See instructions
on back and the
instructions for
Form 1040A, or
Form 1040,
line 9a.)Note. If you
received a Form
1099-DIV or
substitute
statement from
a brokerage firm,
list the firm's
name as the
payer and enter
the ordinary
dividends shown
on that form.

- 6 Add the amounts on line 5. Enter the total here and on Form 1040A, or Form 1040, line 9a

Note. If line 6 is over \$1,500, you must complete Part III.

You must complete this part if you (a) had over \$1,500 of taxable interest or ordinary dividends; (b) had a foreign account; or (c) received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

Part III

- 7a At any time during 2011, did you have a financial interest in or signature authority over a financial account (such as a bank account, securities account, or brokerage account) located in a foreign country? See instructions

Yes	No
X	

- If "Yes," are you required to file Form TD F 90-22.1 to report that financial interest or signature authority? See Form TD F 90-22.1 and its instructions for filing requirements and exceptions to those requirements

Yes	No
X	

- b If you are required to file Form TD F 90-22.1, enter the name of the foreign country where the financial account is located ► **SWITZERLAND**

Yes	No
X	

- 8 During 2011, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If "Yes," you may have to file Form 3520. See instructions on back

For Paperwork Reduction Act Notice, see your tax return instructions.

Schedule B (Form 1040A or 1040) 2011

DAA

**AS ORIGINALLY
FILED**

10 B. 001

027245

SCHEDULE D
(Form 1040)Department of the Treasury
Internal Revenue Service (98)

Name(s) shown on return

JAMES D PIERON, JR.**Capital Gains and Losses**► Attach to Form 1040 or Form 1040NR. See Instructions for Schedule D (Form 1040).
► Use Form 8949 to list your transactions for lines 1, 2, 3, 8, 9, and 10.

OMB No. 1545-0074

2011
Attachment Sequence No. 12

Your social security number

-2111

Part I

Short-Term Capital Gains and Losses – Assets Held One Year or Less

Complete Form 8949 before completing line 1, 2, or 3.

This form may be easier to complete if you round off cents to whole dollars.

	(e) Sales price from Form(s) 8949, line 2, column (e)	(f) Cost or other basis from Form(s) 8949, line 2, column (f)	(g) Adjustments to gain or loss from Form(s) 8949, line 2, column (g)	(h) Gain or (loss) Combine columns (e), (f), and (g)
1 Short-term totals from all Forms 8949 with box A checked in Part I				
2 Short-term totals from all Forms 8949 with box B checked in Part I				
3 Short-term totals from all Forms 8949 with box C checked in Part I				
4 Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824				4
5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1				5
6 Short-term capital loss carryover. Enter the amount, if any, from line 8 of your Capital Loss Carryover Worksheet in the Instructions				6
7 Net short-term capital gain or (loss). Combine lines 1 through 6 in column (h). If you have any long-term capital gains or losses, go to Part II below. Otherwise, go to Part III on the back				7 0

Part II

Long-Term Capital Gains and Losses – Assets Held More Than One Year

Complete Form 8949 before completing line 8, 9, or 10.

This form may be easier to complete if you round off cents to whole dollars.

	(e) Sales price from Form(s) 8949, line 4, column (e)	(f) Cost or other basis from Form(s) 8949, line 4, column (f)	(g) Adjustments to gain or loss from Form(s) 8949, line 4, column (g)	(h) Gain or (loss) Combine columns (e), (f), and (g)
8 Long-term totals from all Forms 8949 with box A checked in Part II				
9 Long-term totals from all Forms 8949 with box B checked in Part II				
10 Long-term totals from all Forms 8949 with box C checked in Part II				
11 Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824	0	92,641	-28,000	-120,641
12 Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1				11
13 Capital gain distributions. See the instructions				12
14 Long-term capital loss carryover. Enter the amount, if any, from line 13 of your Capital Loss Carryover Worksheet in the instructions				13
15 Net long-term capital gain or (loss). Combine lines 8 through 14 in column (h). Then go to Part III on the back				14
For Paperwork Reduction Act Notice, see your tax return instructions.				15 -120,641

Schedule D (Form 1040) 2011

DAA

**AS ORIGINALLY
FILED****10 B.001**

027246

JAMES D PIERON, JR.
Schedule D (Form 1040) 2011

-2111

Page 2

Part III Summary

16	Combine lines 7 and 15 and enter the result.....	16	-120,641
<ul style="list-style-type: none"> • If line 16 is a gain, enter the amount from line 16 on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 17 below. • If line 16 is a loss, skip lines 17 through 20 below. Then go to line 21. Also be sure to complete line 22. • If line 16 is zero, skip lines 17 through 21 below and enter -0- on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 22. 			
17	Are lines 15 and 16 both gains? <input type="checkbox"/> Yes. Go to line 18. <input type="checkbox"/> No. Skip lines 18 through 21, and go to line 22.	18	
18	Enter the amount, if any, from line 7 of the 28% Rate Gain Worksheet in the instructions.....	19	
19	Enter the amount, if any, from line 18 of the Unrecaptured Section 1250 Gain Worksheet in the instructions.....	21	
20	Are lines 18 and 19 both zero or blank? <input type="checkbox"/> Yes. Complete Form 1040 through line 43, or Form 1040NR through line 41. Then complete the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44 (or in the instructions for Form 1040NR, line 42). Do not complete lines 21 and 22 below. <input type="checkbox"/> No. Complete Form 1040 through line 43, or Form 1040NR through line 41. Then complete the Schedule D Tax Worksheet in the instructions. Do not complete lines 21 and 22 below.	21	3,000)
21	If line 16 is a loss, enter here and on Form 1040, line 13, or Form 1040NR, line 14, the smaller of: <ul style="list-style-type: none"> • The loss on line 16 or • (\$3,000), or if married filing separately, (\$1,500)..... <p>Note. When figuring which amount is smaller, treat both amounts as positive numbers.</p>		
22	Do you have qualified dividends on Form 1040, line 9b, or Form 1040NR, line 10b? <input type="checkbox"/> Yes. Complete Form 1040 through line 43, or Form 1040NR through line 41. Then complete the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44 (or in the instructions for Form 1040NR, line 42). <input checked="" type="checkbox"/> No. Complete the rest of Form 1040 or Form 1040NR.		

Schedule D (Form 1040) 2011

DAA

**AS ORIGINALLY
FILED**

10 B .001

027247

Form 6949 (2011)

Name(s) shown on return. Do not enter name and social security number if shown on other side.

Attachment Sequence No. 12A

Page 2

JAMES D PIERON, JR.

Your social security number

+2111

Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year

Note: You must check one of the boxes below. Complete a separate Form 8949, page 2, for each box that is checked.
*Caution. Do not complete column (b) or (c) until

(A) Long-term transaction

(A) Long-term transactions reported on Form 1099-B with basis reported to the IRS (B) Long-term transactions reported on Form 1099-B but basis not reported to the IRS (C) Long-term transactions for which you cannot check box A or B

4 Totals. Add the amounts in columns (e) and (f). Also, combine the amounts in column (g). Enter here and include on Schedule D, line 8 (if box A above is checked), line 9 (if box B above is checked), or line 10 (if box C above is checked).

AS ORIGINALLY

92-641

-28,000

Form 8949 (2011)

91

027248

— 1 —

Schedule E (Form 1040) 2011

Name(s) shown on return. Do not enter name and social security number if shown on other side.

Attachment Sequence No. 13

Page 2

JAMES D PIERON, JR.

Your social security number

-2111

Caution. The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.

Part II Income or Loss From Partnerships and S Corporations Note. If you report a loss from an at-risk activity for which any amount is not at risk, you must check the box in column (e) on line 28 and attach Form 6198. See instructions.

- 27 Are you reporting any loss not allowed in a prior year due to the at-risk or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? If you answered "Yes," see instructions before completing this section.

Yes No

28	(a) Name	(b) Enter P for partnership; S for S corporation	(c) Check if foreign partnership	(d) Employer identification number	(e) Check if any amount is not at risk
A	NAVITAS INVESTMENTS LLC	P		27-2272008	
B					
C					
D					

Passive Income and Loss		Nonpassive Income and Loss		
(f) Passive loss allowed (attach Form 8582 if required)	(g) Passive income from Schedule K-1	(h) Nonpassive loss from Schedule K-1	(i) Section 179 expense deduction from Form 4562	(j) Nonpassive income from Schedule K-1
A * 183,705		183,705		
B				
C				
D				
29a Totals				
b Totals		183,705		
30 Add columns (g) and (j) of line 29a				30 0
31 Add columns (f), (h), and (i) of line 29b				31 183,705
32 Total partnership and S corporation income or (loss). Combine lines 30 and 31. Enter the result here and include in the total on line 41 below				32 -183,705

Part III Income or Loss From Estates and Trusts

33	(a) Name	(b) Employer identification number	
A			
B			
Passive Income and Loss		Nonpassive Income and Loss	
(c) Passive deduction or loss allowed (attach Form 8582 if required)	(d) Passive income from Schedule K-1	(e) Deduction or loss from Schedule K-1	(f) Other income from Schedule K-1
A			
B			
34a Totals			
b Totals			
35 Add columns (d) and (f) of line 34a			35
36 Add columns (c) and (e) of line 34b			36
37 Total estate and trust income or (loss). Combine lines 35 and 36. Enter the result here and include in the total on line 41 below			37

Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs)—Residual Holder

38	(a) Name	(b) Employer identification number	(c) Excess inclusion from Schedules Q, line 2c (see Instructions)	(d) Taxable income (net loss) from Schedules Q, line 1b	(e) Income from Schedules Q, line 3b
39	Combine columns (d) and (e) only. Enter the result here and include in the total on line 41 below			39	

Part V Summary

40 Net farm rental income or (loss) from Form 4835. Also, complete line 42 below	40
41 Total income or (loss). Combine lines 26, 32, 37, 39, & 40. Enter the result here & on Form 1040, line 17, or Form 1040NR, line 18	41 -183,705
42 Reconciliation of farming and fishing income. Enter your gross farming and fishing income reported on Form 4835, line 7; Schedule K-1 (Form 1040), box 14, code B; Schedule K-1 (Form 1120S), box 17, code U; and Schedule K-1 (Form 1041), line 14, code F (see instructions)	42
43 Reconciliation for real estate professionals. If you were a real estate professional (see instructions), enter the net income or (loss) you reported anywhere on Form 1040 or Form 1040NR from all rental real estate activities in which you participated under the passive activity loss rules	43

AS ORIGINALLY FILED

*LOSS LIMITED BY BASIS

DAA

Schedule E (Form 1040) 2011

10 B .001

027249

Form 3800

Department of the Treasury
Internal Revenue Service
(89)

Name(s) shown on return

General Business Credit

- See separate instructions.
- Attach to your tax return.

OMB No. 1545-0895

2011

Attachment
Sequence No. 22

Identifying number

2111

JAMES D PIERON, JR.

Part I Current Year Credit for Credits Not Allowed Against Tentative Minimum Tax (TMT)
 (See instructions and complete Part(s) III before Parts I and II)

1 General business credit from line 2 of all Parts III with box A checked	1	9,621
2 Passive activity credits from line 2 of all Parts III with box B checked	2	
3 Enter the applicable passive activity credits allowed for 2011 (see instructions)	3	
4 Carryforward of general business credit to 2011. Enter the amount from line 2 of Part III with box C checked. See instructions for schedule to attach	4	
5 Carryback of general business credit from 2012. Enter the amount from line 2 of Part III with box D checked (see instructions)	5	
6 Add lines 1, 3, 4, and 5	6	9,621

Part II Allowable Credit

7 Regular tax before credits:

- Individuals. Enter the amount from Form 1040, line 44, or Form 1040NR, line 42
- Corporations. Enter the amount from Form 1120, Schedule J, Part I, line 2; or the applicable line of your return
- Estates and trusts. Enter the sum of the amounts from Form 1041, Schedule G, lines 1a and 1b; or the amount from the applicable line of your return

7	0
8	
9	
10c	
11	

8 Alternative minimum tax:

- Individuals. Enter the amount from Form 6251, line 35
- Corporations. Enter the amount from Form 4626, line 14
- Estates and trusts. Enter the amount from Schedule I (Form 1041), line 56

7	0
8	
9	
10c	
11	

9 Add lines 7 and 8

10a Foreign tax credit

- b Personal credits from Form 1040 or 1040NR (see instructions)
- c Add lines 10a and 10b

10a	
10b	

11 Net income tax. Subtract line 10c from line 8. If zero, skip lines 12 through 15 and enter -0- on line 16a

12 Net regular tax. Subtract line 10c from line 7. If zero or less, enter -0-

12	
13	
14	
15	

13 Enter 25% (.25) of the excess, if any, of line 12 over \$25,000 (see instructions)

14 Tentative minimum tax:

- Individuals. Enter the amount from Form 6251, line 33
- Corporations. Enter the amount from Form 4626, line 12
- Estates and trusts. Enter the amount from Schedule I (Form 1041), line 54

15 Enter the greater of line 13 or line 14

16a Subtract line 15 from line 11. If zero or less, enter -0-

- b For a corporation electing to accelerate the research credit, enter the bonus depreciation amount attributable to the research credit (see instructions)
- c Add lines 16a and 16b

16a	0
16b	
16c	

17a Enter the smaller of line 6 or line 16c

C corporations: See the line 17a instructions if there has been an ownership change, acquisition, or reorganization.

b Enter the smaller of line 6 or line 16a. If you made an entry on line 16b, go to line 17c; otherwise, skip line 17c (see instructions)

c Subtract line 17b from line 17a. This is the refundable amount for a corporation electing to accelerate the research credit. Include this amount on Form 1120, Schedule J, Part II, line 19c (or the applicable line of your return)

17a	
17b	
17c	

For Paperwork Reduction Act Notice, see separate instructions.

AS ORIGINALLY
FILED

Form 3800 (2011)

10 B . 001

027250

: JAMES D PIERON, JR.

Form 3800 (2011)

-2111

Page 2

(Part II) Allowable Credit (Continued)

Note. If you are not required to report any amounts on lines 22 or 24 below, skip lines 18 through 25 and enter -0- on line 26.

18	
19	
20	
21	
22	
23	
24	
25	
26	0
27	0
28	
29	0
30	
31	
32	
33	
34	
35	
36	
37	
38	

18 Multiply line 14 by 75% (.75) (see instructions)

19 Enter the greater of line 13 or line 18

20 Subtract line 19 from line 11. If zero or less, enter -0-

21 Subtract line 17b from line 20. If zero or less, enter -0-

22 Combine the amounts from line 3 of all Parts III with box A, C, or D checked

23 Passive activity credit from line 3 of all Parts III with box B checked

24 Enter the applicable passive activity credit allowed for 2011 (see instructions)

25 Add lines 22 and 24

26 Empowerment zone and renewal community employment credit allowed. Enter the smaller of line 21 or line 25

27 Subtract line 13 from line 11. If zero or less, enter -0-

28 Add lines 17b and 26

29 Subtract line 28 from line 27. If zero or less, enter -0-

30 Enter the general business credit from line 5 of all Parts III with box A checked

31 Enter the total eligible small business credit from line 6 of all Parts III with box E checked

32 Passive activity credits from line 5 of all Parts III with box B checked and line 6 of all Parts III with box F checked

33 Enter the applicable passive activity credits allowed for 2011 (see instructions)

34 Carryforward of business credit to 2011. Enter the amount from line 5 of Part III with box C checked and line 8 of Part III with box G checked. See instructions for schedule to attach

35 Carryback of business credit from 2012. Enter the amount from line 5 of Part III with box D checked and line 6 of Part III with box H checked (see instructions)

36 Add lines 30, 31, 33, 34, and 35

37 Enter the smaller of line 29 or line 38

38 Credit allowed for the current year. Add lines 28 and 37.
Report the amount from line 38 (if smaller than the sum of Part I, line 6, and Part II, lines 25 and 36, see instructions) as indicated below or on the applicable line of your return:

- Individuals. Form 1040, line 53, or Form 1040NR, line 50
- Corporations. Form 1120, Schedule J, Part I, line 5c
- Estates and trusts. Form 1041, Schedule G, line 2b

Form 3800 (2011)

DAA

AS ORIGINALLY
FILED

108.001

027251

Form 3800 (2011) JAMES D PIERON, JR.

-2111

Page 3

Part III General Business Credits or Eligible Small Business Credits (see instructions)

Complete a separate Part III for each box checked below. (see instructions)

- | | | | |
|---------------------------------------|---|----------------------------|--|
| A <input checked="" type="checkbox"/> | General Business Credit From a Non-Passive Activity | E <input type="checkbox"/> | Eligible Small Business Credit From a Non-Passive Activity |
| B <input type="checkbox"/> | General Business Credit From a Passive Activity | F <input type="checkbox"/> | Eligible Small Business Credit From a Passive Activity |
| C <input type="checkbox"/> | General Business Credit Carryforwards | G <input type="checkbox"/> | Eligible Small Business Credit Carryforwards |
| D <input type="checkbox"/> | General Business Credit Carrybacks | H <input type="checkbox"/> | Eligible Small Business Credit Carrybacks |

I If you are filing more than one Part III with box A, B, E, or F checked, complete and attach first an additional Part III combining amounts from all Parts III with box A, B, E, or F checked. Check here if this is the consolidated Part III

(a) Description of credit

Note: On any line where the credit is from more than one source, a separate Part III is needed for each pass-through entity.

(a) Description of credit	(b) If claiming the credit from a pass-through entity, enter the EIN	(c) Enter the appropriate amount
1a Investment (Form 3468, Part II only) (attach Form 3468)	1a	
b Reserved for future use	1b	
c Increasing research activities (Form 6765)	1c 27-2272008	9,621
d Low-income housing (Form 8586, Part I only)	1d	
e Disabled access (Form 8826) (do not enter more than \$5,000 in column (c) of Parts III with box A, B, E, or F checked, combined)	1e	
f Renewable electricity, refined coal, and Indian coal production (Form 8835)	1f	
g Indian employment (Form 8845)	1g	
h Orphan drug (Form 8820)	1h	
i New markets (Form 8874)	1i	
j Small employer pension plan startup costs (Form 8861) (do not enter more than \$500 in column (c) of Parts III with box A, B, E, or F checked, combined)	1j	
k Employer-provided child care facilities and services (Form 8882)	1k	
l Biodiesel and renewable diesel fuels (attach Form 8864)	1l	
m Low sulfur diesel fuel production (Form 8896)	1m	
n Distilled spirits (Form 8908)	1n	
o Nonconventional source fuel (Form 8907)	1o	
p Energy efficient home (Form 8908)	1p	
q Energy efficient appliance (Form 8909)	1q	
r Alternative motor vehicle (Form 8910)	1r	
s Alternative fuel vehicle refueling property (Form 8911)	1s	
t Reserved for future use	1t	
u Mine rescue team training (Form 8923)	1u	
v Agricultural chemicals security (Form 8931) (do not enter more than \$2 million in column (c) of Parts III with box A, B, E, or F checked, combined)	1v	
w Employer differential wage payments (Form 8932)	1w	
x Carbon dioxide sequestration (Form 8933)	1x	
y Qualified plug-in electric drive motor vehicle (Form 8936)	1y	
z Qualified plug-in electric vehicle (Form 8834, Part I only)	1z	
aa New hire retention (Form 5884-B)	1aa	
bb General credits from an electing large partnership (Schedule K-1 (Form 1065-B))	1bb	
zz Other	1zz	
2 Add lines 1a through 1zz and enter here	2	9,621
3 Enter the amount from Form 8844	3	
4a Investment (Form 3468, Part III) (attach Form 3468)	4a	
b Work opportunity (Form 5884)	4b	
c Alcohol and cellulosic biofuel fuels (Form 6478)	4c	
d Low-income housing (Form 8586, Part II)	4d	
e Renewable electricity, refined coal, and Indian coal production (Form 8835)	4e	
f Employer social security and Medicare taxes paid on certain employee tips (Form 8848)	4f	
g Qualified railroad track maintenance (Form 8900)	4g	
h Small employer health insurance premiums (Form 8941)	4h	
i Reserved for future use	4i	
j Reserved for future use	4j	
z Other	4z	
5 Add lines 4a through 4z and enter here	5	
6 Add lines 2, 3, and 5	6	9,621

DAA

**AS ORIGINALLY
FILED**

Form 3800 (2011)

10 B. 001

027252

Form 4797

Department of the Treasury
Internal Revenue Service (89)
Name(s) shown on return

Sales of Business Property
(Also Involuntary Conversions and Recapture Amounts
Under Sections 179 and 280F(b)(2))

► Attach to your tax return. ► See separate Instructions.

OMB No. 1545-0184
2011
Attachment Sequence No. 27**JAMES D PIERON, JR.**

Identifying number

-2111

- 1 Enter the gross proceeds from sales or exchanges reported to you for 2011 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions)

1

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft—Most Property Held More Than 1 Year (see instructions)

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)

- 3 Gain, if any, from Form 4684, line 39 3
- 4 Section 1231 gain from installment sales from Form 6252, line 26 or 37 4
- 5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824 5
- 6 Gain, if any, from line 32, from other than casualty or theft 6
- 7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows:
 Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.
 Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.
- 8 Nonrecaptured net section 1231 losses from prior years (see instructions) 8
- 9 Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions) 9

Part II Ordinary Gains and Losses (see instructions)

- 10 Ordinary gains and losses not included on lines 11 through 18 (include property held 1 year or less):

SECTION 1244 LOSS LIMITATION

IB TECHNOLOGIES	05/07/09	12/31/11	78,000	28,000	-78,000
11 Loss, if any, from line 7				11	
12 Gain, if any, from line 7 or amount from line 8, if applicable				12	
13 Gain, if any, from line 31				13	
14 Net gain or (loss) from Form 4684, lines 31 and 38a				14	
15 Ordinary gain from installment sales from Form 6252, line 25 or 38				15	
16 Ordinary gain or (loss) from like-kind exchanges from Form 8824				16	
17 Combine lines 10 through 16				17	-50,000
18 For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below:					
a If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from "Form 4797, line 18a." See instructions				18a	
b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14				18b	-50,000

For Paperwork Reduction Act Notice, see separate Instructions.

Form 4797 (2011)

**AS ORIGINALLY
FILED**

10 B .001

027253

Form 6251

Alternative Minimum Tax—Individuals

OMB No. 1545-0074

Department of the Treasury
Internal Revenue Service (88)

2011

Attachment
Sequence No. 32

Name(s) shown on Form 1040 or Form 1040NR

JAMES D PIERON, JR.

Your social security number
-2111

► See separate instructions.

► Attach to Form 1040 or Form 1040NR.

1 If filing Schedule A (Form 1040), enter the amount from Form 1040, line 41, and go to line 2. Otherwise, enter the amount from Form 1040, line 38, and go to line 7. (If less than zero, enter as a negative amount.)	1	-146,705
2 Medical and dental. Enter the smaller of Schedule A (Form 1040), line 4, or 2.5% (.025) of Form 1040, line 38. If zero or less, enter -0-	2	
3 Taxes from Schedule A (Form 1040), line 9	3	
4 Enter the home mortgage interest adjustment, if any, from line 6 of the worksheet in the instructions for this line	4	
5 Miscellaneous deductions from Schedule A (Form 1040), line 27	5	
6 Skip this line. It is reserved for future use	6	
7 Tax refund from Form 1040, line 10 or line 21	7	
8 Investment interest expense (difference between regular tax and AMT)	8	
9 Depletion (difference between regular tax and AMT)	9	
10 Net operating loss deduction from Form 1040, line 21. Enter as a positive amount	10	
11 Alternative tax net operating loss deduction	11	
12 Interest from specified private activity bonds exempt from the regular tax	12	
13 Qualified small business stock (7% of gain excluded under section 1202)	13	
14 Exercise of incentive stock options (excess of AMT income over regular tax income)	14	
15 Estates and trusts (amount from Schedule K-1 (Form 1041), box 12, code A)	15	
16 Electing large partnerships (amount from Schedule K-1 (Form 1065-B), box 6)	16	
17 Disposition of property (difference between AMT and regular tax gain or loss)	17	
18 Depreciation on assets placed in service after 1986 (difference between regular tax and AMT)	18	
19 Passive activities (difference between AMT and regular tax income or loss)	19	
20 Loss limitations (difference between AMT and regular tax income or loss)	20	0
21 Circumstances costs (difference between regular tax and AMT)	21	
22 Long-term contracts (difference between AMT and regular tax income)	22	
23 Mining costs (difference between regular tax and AMT)	23	
24 Research and experimental costs (difference between regular tax and AMT)	24	
25 Income from certain installment sales before January 1, 1987	25	
26 Intangible drilling costs preference	26	
27 Other adjustments, including income-based related adjustments	27	
28 Alternative minimum taxable income. Combine lines 1 through 27. (If married filing separately and line 28 is more than \$223,900, see instructions.)	28	-146,705

Part III Alternative Minimum Tax (AMT)

29 Exemption. (If you were under age 24 at the end of 2011, see instructions.)

IF your filing status is ...

AND line 28 is not over ...

THEN enter on line 29 ...

Single or head of household

\$112,500

\$48,450

Married filing jointly or qualifying widow(er)

150,000

74,450

Married filing separately

75,000

37,225

If line 28 is over the amount shown above for your filing status, see instructions.

29	48,450
30	0
31	
32	
33	0
34	
35	0

30 Subtract line 29 from line 28. If more than zero, go to line 31. If zero or less, enter -0- here and on lines 31, 33, and 35, and go to line 34

31 • If you are filing Form 2555 or 2555-EZ, see instructions for the amount to enter.

- If you reported capital gain distributions directly on Form 1040, line 13; you reported qualified dividends on Form 1040, line 9b; or you had a gain on both lines 15 and 16 of Schedule D (Form 1040) (as refigured for the AMT, if necessary), complete Part III on the back and enter the amount from line 54 here.
- All others: If line 30 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 30 by 26% (.26). Otherwise, multiply line 30 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately) from the result.

32 Alternative minimum tax foreign tax credit (see instructions)

33 Tentative minimum tax. Subtract line 32 from line 31

34 Tax from Form 1040, line 44 (minus any tax from Form 4972 and any foreign tax credit from Form 1040, line 47). If you used Schedule J to figure your tax, the amount from line 44 of Form 1040 must be refigured without using Schedule J (see instructions)

35 AMT. Subtract line 34 from line 33. If zero or less, enter -0-. Enter here and on Form 1040, line 45

For Paperwork Reduction Act Notice, see your tax return instructions.

AS ORIGINALLY

FILED

Form 6251 (2011)

DAA

10 B. 001

027254

Year Ending: December 31, 2011

2111

James D Pieron, Jr.
1916 Churchill Blvd.
Mt. Pleasant, MI 48858

NOL Carryback Election

Under IRC Section 172(b)(3), the taxpayer elects to relinquish the entire carryback period with respect to the regular tax and AMT net operating losses incurred during the current tax year.

**AS ORIGINALLY
FILED**

10 B . 001

027255

108.001

AS ORIGINALLY
FILED

Totals Columns (e), (f), (g), and (h)

92,641 -28,000 -120,641

027256

7010 2750 0002 6969 5817



Master

04/01/2014

US POSTAGE

\$08.66⁰⁰



ZIP 48638
011D10608667

027257



First Class Mail

ANDREWS HOOPER PAVLIK PLC

5300 Gratiot Road • Saginaw, MI 48638

DEPARTMENT OF TREASURY
INTERNAL REVENUE SERVICE
FRESNO CA 93888-0422